

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Texas Department of Motor Vehicles
4000 Jackson Avenue
Building 1
Lone Star Room
Austin, Texas 78731

Thursday,
July 10, 2025
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair
Tammy McRae, Vice Chair
Christian Alvarado
Stacey Gillman
Brett Graham
Mark Jones
Sharla Omumu (absent)
John Prewitt (absent)
Darren Schlosser

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	8
2. Pledges of Allegiance - U.S. and Texas	9
3. Chair's Reports (BRIEFING ONLY)	9
4. Executive Director's Reports (BRIEFING ONLY)	11
A. 91st Annual Tax Assessor-Collectors Association of Texas (TACA) Conference	
B. Recognition of Years of Service	
 CONTESTED CASE	
5. Consideration and Approval of Proposed Final Order on Enforcement Case <i>Texas Department of Motor Vehicles v.</i> <i>Francis E. Arubaleze d/b/a Fan Quality Motors;</i> Enforcement Docket No. 23-0005355; SOAH Docket No. 608-23-26648.ENF (ACTION ITEM)	19
 EMERGENCY RULEMAKING	
Rulemaking under Government Code, §2001.034	
6. Chapter 224, Adjudicative Practice and Procedure (ACTION ITEM) Amendments: §224.116 and §224.124 New: §224.121 (Relating to Implementation of House Bill (HB) 1672, 89th Legislative Session, and Cleanup)	45
 RULE PROPOSALS	
7. Rule Review Rule Review Proposal under Government Code, §2001.039: Chapter 206, Management, Chapter 211, Criminal History Offense and Action on License, and Chapter 217, Vehicle Titles and Registration, §217.27 (ACTION ITEM)	50
8. Chapter 211, Criminal History Offense and Action on License (ACTION ITEM) Amendments: §211.1 and §211.2 New: Subchapter B Repeals: §§211.3, 211.4, 211.5, and 211.6 (Relating to Implementation of Senate Bill (SB) 2587 and SB 1080, 89th Legislative Session, and Cleanup)	55

9.	Chapter 215, Motor Vehicle Distribution (ACTION ITEM) Amendments: Subchapters B and D New: §§215.91 and 215.163 (Relating to Implementation of HB 718, 88th Legislative Session; SB 1902 and HB 5629, 89th Legislative Session; and Cleanup)	59
10.	Chapter 221, Salvage Vehicle Dealers (ACTION ITEM) Amendments: §221.17 (Relating to Implementation of HB 5629, 89th Legislative Session)	64
11.	Chapter 217, Vehicle Titles and Registration (ACTION ITEM) Amendments: Subchapters B and I (Relating to Implementation of SB 1902 and SB 1729, 89th Legislative Session, and Cleanup)	68
12.	New Chapter 220, Automated Motor Vehicles (ACTION ITEM) New: Subchapters A, B, and C (Relating to Implementation of SB 2807, 89th Legislative Session)	76
13.	Chapter 224, Adjudicative Practice and Procedure (ACTION ITEM) Amendments: Subchapters A, D, E, and F New: Subchapters H and I (Relating to Implementation of SB 2807, 89th Legislative Session, and Cleanup)	80
14.	Chapter 224, Adjudicative Practice and Procedure (ACTION ITEM) Amendments: §224.116 and §224.124 New: §224.121 (Relating to Implementation of HB 1672, 89th Legislative Session, and Cleanup)	85
15.	Chapter 224, Adjudicative Practice and Procedure (ACTION ITEM) Amendment: §224.58 (Relating to Implementation of SB 1902, 89th Legislative Session)	88
BRIEFING AND ACTION ITEMS		
16.	Specialty Plate Design (ACTION ITEM) American Flag - New Design Proposed under Transportation Code, §504.851	92

- 17. Appointment of Members to the Motor Vehicle Industry Regulation Advisory Committee (MVIRAC) and Motor Carrier Regulation Advisory Committee (MCRAC) (ACTION ITEM) 94
- 18. HB 718 Implementation Update (88th Legislative Session) (BRIEFING ONLY) 97
- 19. Legislative and Public Affairs 89th Regular Session Legislative Recap (BRIEFING ONLY) 122
- 20. Finance and Audit
 - A. FY 2026 Recommended Operating Budget for the Fiscal Year that Begins September 1, 2025, and ends August 31, 2026 (ACTION ITEM) 127
 - B. Internal Audit Division Status Update (BRIEFING ONLY) 132
 - I. Internal Engagements
 - a. Public Information Request Audit
 - b. Motor Carrier Division Credentialing Advisory
 - c. Information Technology Services Division Project Governance Audit
 - d. Annual Risk Assessment
 - ii. External Engagements
 - a. Texas Comptroller of Public Accounts Post Payment Audit

CLOSED SESSION

- 21. The Board may enter into closed session under one or more provisions of the Texas Open Meetings Act, Government Code, Chapter 551, including but not limited to: --

Section 551.071 - Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer;
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code, Chapter 551; or
- any item on this agenda; or
- *Lucid Group USA, Inc. vs. Monique Johnston, in her official capacity as Director of the Motor Vehicle Division of the Texas Department of Motor Vehicles, et al.* Case No. 1:22-cv-01116; in the United States District Court for the Western District of Texas, Austin Division.

Section 551.074 - Personnel matters.

- Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code, Section 2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

22.	Action Items from Closed Session	--
12.	Public Comment	none
13.	Adjournment	137

P R O C E E D I N G S

MR. BACARISSE: Good morning. It is 9:03 a.m. and I'm now calling the board meeting for July 10, 2025 to order. Welcome to the Texas DMV for all our guests.

I want to note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of Secretary of State on July 2, 2025.

Before we begin today's meeting, please place all cell phones and other communication devices in the silent mode. Also, as a courtesy to others, please do not engage in side conversations here in the meeting room.

I want to welcome those who are with us for today's board meeting. If you wish to address the board or speak on an agenda item during today's meeting, please complete a speaker's sheet at the registration table or send an email to GCO_General@TxDMV.gov. Once again, that's GCO_General@TxDMV.gov.

Please identify in your email the specific item you're interested in commenting on, your name and address, and whether you are representing anyone or speaking for yourself. If your comment does not pertain to a specific agenda item, we'll take your comment during the general public comment portion of the meeting.

In accordance with the department's

1 administrative rule, comments to the board will be limited
2 to three minutes. To assist each speaker, a timer has
3 been provided at the podium. The timer light will be
4 green for the first two minutes, yellow when the speaker
5 has one minute left, and then red when the speaker's time
6 is up.

7 Individuals cannot accumulate time from other
8 speakers, and comments should be pertinent to the issues
9 stated on the comment sheet. When addressing the board,
10 please state your name and affiliation for the record.

11 There are a few things that will help to make
12 this meeting to run more smoothly and assist the court
13 reporter, who is in the back there, getting an accurate
14 record: number one, please identify yourself before
15 speaking; speak clearly and slowly; do not speak over
16 others; and ask the chair for permission to speak and be
17 sure to get recognized before speaking.

18 I'd like to thank our court reporter who is
19 working hard to transcribe this meeting.

20 Before we begin today, I'd like to remind all
21 presenters and those in attendance of the rules of conduct
22 at our board meetings. In the department's administrative
23 rule, the chair has the authority to supervise the conduct
24 of the meetings. This includes the authority to determine
25 when a speaker is being disruptive of the meeting or is

1 otherwise violating the timing or presentation rules that
2 I just discussed.

3 So with all of that out in the open now, I'd
4 like to go ahead and move to a roll call and establishment
5 of quorum, so please respond when I call your name.

6 Member Alvarado, are you present?

7 MR. ALVARADO: Here.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Here.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Here.

12 MR. BACARISSE: Member Jones?

13 MR. JONES: Present.

14 MR. BACARISSE: Member McRae?

15 MS. McRAE: Here.

16 MR. BACARISSE: Member Schlosser?

17 MR. SCHLOSSER: Here.

18 MR. BACARISSE: And let the record reflect that
19 I am here too. We have a quorum.

20 Let's also let the record reflect that Members
21 Prewitt and Omumu are absent.

22 Let's now please all stand and honor our
23 country with the state and national pledges of allegiance.

24 I'll turn it over to Vice Chair McRae who will lead us in
25 the U.S. Pledge.

1 (The U.S. Pledge was recited.)

2 MR. BACARISSE: Now for the State Pledge,
3 Member Schlosser.

4 (The Texas Pledge was recited.)

5 MR. BACARISSE: Thank you all. Please be
6 seated.

7 Thank you, Vice Chair McRae and Member
8 Schlosser for leading us in those pledges.

9 As we move to the next agenda item, chair's
10 reports, let me just take a moment to remind everybody
11 that I think you see on the agenda we have a significant
12 number of items from the Texas Legislature after they
13 finished their session. They passed dozens of bills this
14 year that impact this agency. While the legislature may
15 have ended its session on June 2, there's a special
16 coming, so hold your hat. We're implementing the bills
17 that have been passed and signed has just begun, and
18 that's why there are so many rule items on the agenda
19 today.

20 Some of those bills, like House Bill 1672, are
21 already in effect. Other bills, like Senate Bill 1902,
22 have fast approaching rulemaking deadlines. We are
23 required to have all the rules implemented in Senate Bill
24 1902 adopted by October 1.

25 I want to thank our staff for all the work that

1 they've put in to get these rules drafted and ready for us
2 to consider today. So we will discuss those issues and
3 then move on those agenda items so that we can meet those
4 deadlines to fulfill the bill's implementation
5 requirements.

6 I know it's a heavy lift that started many
7 months ago, and I want to thank our stakeholders who
8 reviewed the draft rules and gave feedback quickly, such
9 as members of the Motor Vehicle Regulation Advisory
10 Committee. It's our duty as a board to implement this
11 legislation within the timelines set by the legislature,
12 and I'm grateful to staff for helping us to fulfill that
13 duty, but now the heavy lift is on the board. I know it's
14 a lot of rules that we have to vote on today, but it is
15 necessary and it's our responsibility to keep this agency
16 in line with the legislature's expectations on time with
17 this bill implementation.

18 So today we need to propose these rules
19 necessary to implement new legislation so that there's
20 enough time to publish them in the *Texas Register* for
21 public comment and for us to get back and meet again to
22 adopt the rules before those deadlines are upon us. So
23 thank you for your hard work and dedication to both the
24 staff and the board members, so now we can get to it.

25 I will now turn it over to our executive

1 director, Daniel Avitia, for agenda items 4.A and 4.B.

2 MR. AVITIA: Thank you, Chairman.

3 Chairman, members, for the record, my name is
4 Daniel Avitia. I have the pleasure of serving as the
5 executive director for the Texas Department of Motor
6 Vehicles.

7 Agenda items 4.A and B are briefing items only
8 and do not require action by the board. I'll start with
9 agenda item 4.A, the 91st TACA Conference. The materials
10 can be found on page 7 of your board materials.

11 Chairman, members, the DMV had the privilege in
12 participating in the 91st Annual TACA Conference, held in
13 Galveston from June 1 to 4. TxDMV staff contributed to
14 events as speakers, panelists and attendees across various
15 conference sessions.

16 Tax assessor-collectors remain among the
17 department's most vital stakeholders and serve as primary
18 partners in delivering vehicle and title registration
19 services to Texans statewide. Our participation in this
20 conference provided a valuable opportunity to engage
21 directly with a broad spectrum of our stakeholder
22 community, share updates on policy and operational
23 initiatives, and strengthen relationships with local
24 elected officials and their senior staff.

25 Chairman Bacarisse and I had the privilege of

1 presenting during the conference's TxDMV update session.
2 The open session featured a Q&A segment with several TxDMV
3 leaders, including Deputy Executive Director Roland Luna,
4 Enforcement Director Corrie Thompson, Motor Vehicle
5 Division Director Monique Johnston, Vehicle Titles and
6 Registration Director Annette Quintero, and Chief
7 Information Officer Wendy Barron. This session offered
8 both new and experienced officials a meaningful insight
9 into the department's current priorities and operations.

10 In addition, the department staff led a session
11 on title fraud training and provided updates on
12 clarifications on implementation of House Bill 718 which
13 we will hear about more in just a little while, among
14 other key topics. DMV staff engaged with attendees
15 throughout the conference at both booths, addressing
16 questions and offering guidance on a range of operational
17 matters. The conference was both well attended and highly
18 productive.

19 I would like to extend my sincere thanks to
20 Vice Chair Tammy McRae, TACA president Mr. Shay Luedecke,
21 and the TACA leadership team, and all conference
22 participants for their warm hospitality and continued
23 partnership.

24 And I believe we have Mr. Ames, out of Dallas,
25 present with us this morning. Good morning and welcome,

1 James. We're so proud to have you join us today.

2 MR. AMES: Thanks.

3 MR. AVITIA: Chairman, members, this concludes
4 agenda item 4.A. Happy to answer any questions or move on
5 to agenda item 4.B.

6 MR. BACARISSE: Members, any questions on these
7 issues?

8 (No response.)

9 MR. BACARISSE: Please continue.

10 MR. AVITIA: Thank you, Chairman.

11 Members, agenda item 4.B is recognition of
12 years of service. Your materials can be found on page 8
13 of your board materials.

14 At this time I would like to recognize our
15 employees who have reached a state service milestone. We
16 recognize these employees to show our appreciation for
17 their years of service and dedication to the State of
18 Texas.

19 I'll begin with 20 years of state service; we
20 have 16 members to recognize. We'll begin with Terri
21 Jones, Consumer Relations Division; Tara Bartram, Motor
22 Carrier Division; Robert Phillips, Motor Carrier Division;
23 Charity Rehder, Motor Carrier Division; Julia Laredo-
24 Escobar, Motor Vehicle Division; and Lena Roberts, Office
25 of General Counsel.

1 Next with 25 years of state service we have
2 four team members: Patricia Farris, Motor Carrier
3 Division; Mark McKinley, Information Technology Services;
4 Lance Petri, Finance and Operations; Lillie Stenbridge,
5 Motor Carrier Division.

6 Moving on with 30 years of service, we have two
7 recipients: Mr. Henry Holguin, Information Technology
8 Services; and Kristy Schultz, Motor Carrier Division.

9 Even more so with 35 years of service we have
10 one individual who is joining us this morning: Mr. Thomas
11 O'Connor, Finance and Operations Division.

12 And rounding out our state years of service we
13 have two team members with 40 years of service -- amazing:
14 Darlene Hancock, Finance and Operations Division; and
15 Kenny Corzine with Information Technology Services.

16 Lastly, Chairman and members, the following
17 folks have retired from the DMV with over 20 years of
18 state service, we have four individuals: 20 years of
19 service at retirement, Cliff Nelson, Motor Carrier
20 Division; 21 years of service, Donald Ogle, Enforcement
21 Division; 27 years of state service, Maureen Vale, Vehicle
22 Titles and Registration; and closing out with 40 years of
23 state service, Diane Kenny, Motor Carrier Division.

24 I'd like to take a moment to speak about the
25 recipients who are with us here today. I'll start with

1 Ms. Julia Laredo-Escobar. She serves as the
2 administration manger with the Motor Vehicle Division.

3 In this role, Ms. Laredo-Escobar oversees
4 escalated customer service matters, finances and various
5 day-to-day operations for the Motor Vehicle Division. She
6 is committed to developing new and efficient solutions and
7 providing excellent customer service. Julia's deep
8 knowledge of MVD operations make her invaluable in her
9 unwavering dedication to public service, and she always
10 welcomes you with a smile. I can see it right now from
11 where I'm sitting.

12 Julia, congratulations on your 20 years of
13 state service, my friend.

14 Next we have Ms. Lena Roberts, serves as the
15 associate general counsel records management officer and
16 public information coordinator and compliance officer.
17 She holds a lot of hats, as you can see. In this role she
18 provides records, training for internal staff, and ensures
19 adherence to our records retention schedule and upholds
20 compliance with the Texas Public Information Act.

21 Before joining the DMV, Lena worked at the
22 Texas Commission on Environmental Quality for 17 years.
23 Lena's professionalism, integrity and dedication to open
24 government have made a long lasting impact on our agency,
25 and we're very lucky to have Lena today.

1 Thank you, and congratulations on your 20 years
2 of dedicated state service.

3 Next we have Ms. Kristy Schultz. She serves as
4 a special projects coordinator with the Motor Carrier
5 Division. In this role she provides legislative analysis
6 and coordination, rules review, publications, website
7 content, customer outreach, and special projects that
8 enhance customer service, compliance and business
9 continuity for that division.

10 Since joining the DMV, Kristy has held several
11 key roles, beginning as a permit officer, then advancing
12 to a permit specialist, lead worker and business analyst
13 for the TxPros project. She continues to make a lasting
14 impact through her contributions and expertise.

15 Kristy, congratulations on your 30 years of
16 state service.

17 Next, joining us front and center right here,
18 we have Mr. Tommy O'Connor, who serves as the accounting
19 operations team lead in Finance and Operations. And
20 welcome to his family as well; we're so glad that you
21 could join us this morning.

22 In this role, he reconciles incoming data from
23 numerous systems and coordinates general ledger entries.
24 Throughout his tenure, Tommy has held several key
25 positions with Finance and Operations and also served as a

1 statistician with the Vehicle Titles and Registration
2 Division. Before joining the DMV in 2009, Tommy served as
3 an accountant with the Texas Department of Transportation.

4 Tommy, we appreciate your loyalty and enduring
5 commitment. Congratulations, sir, on your 35 years of
6 state service.

7 MR. O'CONNOR: Thank you.

8 MR. AVITIA: Yes, sir.

9 Next, we have Ms. Darlene Hancock. She serves
10 as the senior accountant for Finance and Operations
11 Division. She serves responsibly in assisting tax
12 assessor-collectors and the regional service centers with
13 reconciling registration and title revenues.

14 Before joining the DMV in 2009, Darlene served
15 as a motor services specialist with the Texas Department
16 of Transportation as well, where she was responsible for
17 coding vehicle titles on a typewriter, no less -- I had to
18 say that, if we all remember what those were.

19 (General laughter.)

20 MR. AVITIA: We appreciate your dedication and
21 mentorship to the department and county staff. Darlene,
22 congratulations on your 40 years of state service.

23 Chairman, members, let us congratulate these
24 individuals for their dedication and certainly their years
25 of service to the department and the State of Texas.

1 (Applause.)

2 MR. AVITIA: Now, members, if you would please
3 join me at the front of the dais for photo opportunities.

4 (Pause for presentations and photos.)

5 MR. AVITIA: Chairman, members, that closes out
6 my executive director's report. I appreciate the time
7 this morning. Thank you.

8 MR. BACARISSE: Thank you, Daniel. And thank
9 you to each of you that serve the Texas DMV every day, we
10 appreciate it.

11 Before we move on, I neglected to do this at
12 the top of the meeting but I feel compelled, based on the
13 serious tragedy that's occurred in our state, to just have
14 a moment of silence, if we may, for all those families and
15 friends of ours, some of whom lost loved ones this last
16 week in the flooding. And if we could just do that.

17 And then one other thing after that, I want to
18 make an announcement that there is a large poster on the
19 table up here that says "We Heart John" and if anyone
20 wants to sign a card for Member Prewitt, he is in the
21 hospital battling cancer and it is a severe and tough
22 battle, but he is fighting it. So if you want to write
23 something to John, there is something up there that you
24 can sign. That would be great.

25 Please join me in a moment of silence.

1 (Moment of silence.)

2 MR. BACARISSE: Thank you.

3 Now we can move forward on our agenda. We are
4 at agenda item number 5 which is a contested case, and we
5 will have oral presentation from the parties to this
6 contested case. General Counsel Laura Moriaty will
7 present the procedural history and summary of the case.

8 Under the board's rules, a party that timely
9 submitted a request to make an oral presentation will be
10 allowed up to 15 minutes to make that oral presentation.
11 In this case, both parties submitted a timely request to
12 make an oral presentation. So during those presentations,
13 time spent by a party responding to any board questions is
14 not counted against that party's time. The timer light
15 will be on green for the first 14 minutes, yellow when
16 there's one minute left, and then red when the party's
17 time is up.

18 I'd also like to remind board members and the
19 parties that the board's decision must be based solely on
20 the evidence contained within the administrative record
21 from the Office of Administrative Hearings. And if a
22 board member asks a question about evidence that is not in
23 the SOAH administrative record for this case, the party
24 should respond by saying: That question is about evidence
25 that is not in the administrative record.

1 Respondent Mr. Francis Arubaleze, of Fan
2 Quality Motors, is represented by Amen Obas, and he will
3 present after Ms. Moriaty.

4 So let me turn the floor over to Ms. Moriaty.
5 Thank you.

6 MS. MORIATY: Thank you, sir.

7 Good morning, Board. I'm Laura Moriaty,
8 general counsel.

9 The contested case we'll be deciding today is a
10 discipline case brought by the Texas Department of Motor
11 Vehicles against Fan Quality Motors. Fan Quality Motors
12 holds a general distinguishing number issued by the
13 department.

14 The questions for the board to decide today
15 are: whether Fan Quality Motors violated the board's
16 statutes and rules, and if so, whether to revoke Fan
17 Quality Motors GDN, whether a monetary penalty is
18 appropriate, and whether to order Fan Quality Motors to
19 refund money to a vehicle purchaser.

20 This case began when the department issued a
21 notice of department decision on February 16, 2023, and
22 issued a first amended notice of department decision on
23 January 5, 2024. Respondent requested a hearing, so the
24 department set the case for hearing at the State Office of
25 Administrative Hearings -- which I'll be calling SOAH.

1 The hearing took place over several days in April,
2 September and December of 2024.

3 The SOAH administrative law judge issued a
4 proposal for decision on April 2, 2025. In the PFD, the
5 ALJ found: the respondent had failed to comply with four
6 written requests from the department for records; the
7 respondent failed to transfer title to two vehicles; the
8 respondent failed to conduct a vehicle inspection within
9 180 days prior to issuing a buyer's temporary tag for a
10 vehicle; the respondent issued two buyer's temporary tags
11 for the same vehicle; when the department attempted to
12 inspect respondent's premises on two separate occasions,
13 respondent did not have an employee present at the
14 licensed location during business hours at either of the
15 two premises visits; and respondent sold or offered to
16 sell two motor vehicles at a location other than his
17 licensed location on two separate dates.

18 The ALJ found eight aggravating factors: the
19 large number of violations, there were 12 in all; that two
20 consumers were harmed by respondent's violations; that
21 those consumers suffered economic damage by respondent
22 failing to transfer title to vehicles they purchased; that
23 respondent misused temporary tags; that respondent
24 willfully defrauded a buyer; that respondent made no
25 efforts to correct any violation; and that respondent did

1 not acknowledge any wrongdoing or show a willingness to
2 cooperate with the department.

3 With regard to the failure to transfer title,
4 the ALJ said that that was a very serious violation. The
5 ALJ described it as egregious because respondent ceased
6 communicating with the purchasers, misrepresented the
7 vehicle's condition and model year to a purchaser, and
8 sent the wrong license plates to a purchaser.

9 The ALJ found three mitigating factors: those
10 were that the respondent had no history of previous
11 violations; the respondent did not fail to fulfill a
12 written agreement with a purchaser; and that respondent
13 did not attempt to conceal the violations.

14 The ALJ found that revocation was appropriate
15 in this case and recommended revocation because respondent
16 is unfit under the standards governing the occupation due
17 to respondent allowing others to misuse his GDN license to
18 buy and sell motor vehicles to consumers and at auction,
19 and because respondent willfully defrauded a purchaser,
20 and because respondent misused temporary tags.

21 Based on all of this, the ALJ recommended that
22 the board revoke respondent's GDN, issue a monetary
23 penalty of \$15,000, and order respondent to refund
24 \$6,342.50, which was the vehicle purchase price, to a
25 purchaser.

1 Neither party filed exceptions to the proposal
2 for decision, and as the chairman told you, both parties
3 are here to do oral argument today.

4 But I want to remind you, before we get
5 started, of what your powers are here today. So the first
6 thing is to remember the difference between your job and
7 the job of SOAH. We talk about it every time, but one
8 more time for the fans. SOAH's job is to hear the
9 evidence, decide what's believable, decide what comes in
10 and stays out, to make findings of fact and recommend
11 conclusions of law and a penalty to you.

12 Now, the board's job is to take that
13 information and determine whether SOAH appropriately
14 interpreted the board's statutes and rules, and whether
15 the sanction recommended by SOAH is correct. Now, that
16 means that you cannot make new findings of fact and you
17 cannot hear new evidence today. All of those findings
18 were made by SOAH and we can't add to them at all.

19 You can amend the PFD, you can amend a finding
20 of fact or conclusion of law, and certainly you have the
21 broadest discretion to amend the sanction, but when you
22 do, any changes have to comply with the Government Code
23 which says that you can only amend something if you're
24 correcting a technical error, like a typo, or if you are
25 correcting a place where the ALJ misapplied or

1 misinterpreted statutes or law.

2 So when you make a motion, I need you to
3 identify the change you're requesting, identify the law
4 that was misapplied or misinterpreted, state why it was
5 incorrect, and explain why the findings of fact support
6 your interpretation. We can't make a decision that isn't
7 supported by the findings of fact.

8 So with all of that said, the other option
9 other than making a change would be to just accept the PFD
10 as written, which would mean that you would revoke Fan
11 Quality Motors' GDN, you would order a monetary penalty of
12 \$15,000, and you would order that respondent refund the
13 buyer \$6,042.50.

14 So when you're making those decisions about
15 penalty, the important factors to look at are the factors
16 in Texas Occupations Code 2301.801, which are the
17 seriousness of the violation, the economic damage to the
18 public, the history of previous violations, the amount
19 necessary to deter a future violation, and the efforts to
20 correct the violation. There's that catchall any other
21 matter that justice may require, but the ones I've talked
22 about before we specifically need to look at.

23 In looking at whether to revoke, we have to
24 decide whether we have a violation of board rules or
25 statutes, whether respondent is unfit under the standards

1 governing the occupation, including the qualifications for
2 the license, whether he has misused or allowed to misuse a
3 temporary tag, or willfully defrauded a purchaser. Any of
4 those would be grounds for revocation.

5 So with all of that said, if there are no
6 questions for me, I will turn it back over to the
7 chairman.

8 MR. BACARISSE: Members, any questions for Ms.
9 Moriaty?

10 (No response.)

11 MR. BACARISSE: Seeing none, we would welcome
12 the respondent. Mr. Obas is representing the representing
13 the respondent.

14 So, Mr. Obas, please come to the podium and you
15 will have 15 minutes. Join us right up here, if you
16 would, please, where the microphone is, and we'd love to
17 hear from you. Please come to the podium.

18 We need to capture what is said for the record.

19 We have a court reporter who is transcribing. Thank you.

20 MR. OBAS: Good morning.

21 MR. BACARISSE: Good morning.

22 MR. OBAS: So I thought that the petitioner
23 will go forward first, then I will follow, because I'm the
24 respondent.

25 MR. BACARISSE: I'm sorry.

1 MS. MORIATY: So under our rules, our rules are
2 different, and the person who is affected by the decision
3 gets to go first. I agree with you that in a regular
4 court we would do the opposite order, but under our rules
5 things are different.

6 MR. BACARISSE: Right. Thank you.

7 MR. OBAS: Well, as I stand today, my client's
8 license was revoked long before the decision of the
9 administrative law judge, which should not have been
10 because they have reasons to say your license is revoked.

11 Even when they were doing that, it was a different
12 entity, but my client's number was revoked so there was no
13 direct communication that Fan Quality Motors, we're
14 revoking your business license.

15 Now, my client is a licensed auto dealer. He's
16 also licensed with Fort Bend County to register titles.
17 In the course of this litigation, I will say none of the
18 officers who were investigators knew that he was a
19 title-only entity. So in their dealing, they used some
20 case they were not supposed to ask.

21 They asked her things that come under title,
22 because some of those clients, my client only handled the
23 vehicle as a title entity. He was not acting as a dealer.

24 But the investigators, not knowing that injured my client
25 because the investigators are supposed to know the rules

1 that deal with the dealer and the rules that deal with
2 people that only register title.

3 So in doing -- they have talked about somebody
4 being defrauded. Nobody was defrauded. Certainly the
5 client that bought 2003 vehicle from my client was quite
6 clear when she bought a vehicle. Up to this moment, that
7 vehicle was not returned to my client.

8 She was not satisfied. She bears -- not
9 satisfied, but he was ideally -- saw when she returned the
10 vehicle and get her money back, but she said, I junked it.

11 It's totally unfair if somebody bought a vehicle from
12 person, junk it and want their money back. I don't know
13 anywhere things like that is done, that you buy something,
14 you junk it, you come back, you want the money. If you
15 junk it, it's you.

16 When they say that somebody was defrauded,
17 there was nothing like that. The vehicles were sold as
18 is. She knew what she was buying. She testified she used
19 it for some time, maybe before she did what she did with
20 the vehicle.

21 She was able to drive the vehicle. The problem
22 with the vehicle bought by Stephanie [sic] was that when
23 she bought the vehicle, she took it and didn't bring it
24 back to my client. My client -- if he had brought the
25 vehicle back to my client, who get the vehicle.

1 She also gave instructions to my client, hey,
2 don't register that vehicle because, she said, I'm no
3 longer in Texas. I'm now in a different state. And my
4 client said, Come and pick up your papers because you
5 don't live in Texas now. So there was an issue as far as
6 that is concerned.

7 As for the 2017 Volkswagen Jetta, that was
8 bought by Jose Garcia. Clearly, Jose Garcia reported that
9 I bought this car from my co-worker. That is, he said, I
10 bought it from Mustafa.

11 He didn't mention that he bought it from my
12 client. People have gone at a later date to look at the
13 address on the title, an associate -- the vehicle says was
14 my client. That was a vehicle Mustafa bought for export
15 to Africa. It was Jose bought it from Mustafa, and
16 Mustafa bought it from my client to export it and turned
17 around to sell it to Garcia. I have problem with that.

18 During process of trial, it was quite clear
19 that there was a forgery in the vehicle because Jose
20 Garcia forged documents to get a title to that vehicle.
21 He declared whatever he wanted to declare, not the
22 amount -- he claimed he bought it from Mustafa.

23 Again, my client was not paid. He has a claim
24 that money was Zelle. If it was Zelle money, somebody
25 will have evidence that it's Zelle money, not just writing

1 by Zelle, so-so-so amount to so-so-so person.

2 It don't work like that. Money was never
3 Zelle'd to my client but the allegation was that, oh, we
4 Zelle. When he was asked, where's the evidence of this
5 Zelle, till this moment he has not produced it.

6 And we just take word a man that went in to get
7 a title to the vehicle, forged the amount, you have
8 conflicting testimony as to the amount he bought the car
9 for and the amount he wrote to get a title. So that
10 called to question if he was telling the truth, but the
11 investigator said -- it was only the investigator that
12 said Jose Garcia bought it from my client. The evidence
13 didn't show that he bought it from my client.

14 My client did not injure anybody. Now, there
15 were 12 violations they talked about. If you look at it,
16 number one on the allegations, the Mercedes Benz they
17 talked about, that was title-only transaction. It was
18 not, but they are taking as a vehicle that my client
19 bought from the auction. If he didn't buy it from the
20 auction, he cannot get evidence of purchase of vehicle.

21 Now, on the Volkswagen, since he didn't sell to
22 Garcia, he cannot have document showing that he sold
23 anything to Garcia. In fact if we check very well, we'll
24 find that Garcia said, I bought this vehicle from Mustafa,
25 not from my client.

1 There will be the need for department to
2 clearly indicate the investigators of what to do with
3 entity that also have motor vehicle -- motor vehicle
4 title service, because I was surprised that the
5 investigators didn't know what to do. If they didn't know
6 what to do, how can they investigate something? Because
7 when you register in addition to what the DMV gives to
8 somebody, whatever registry I'm giving people their
9 registration forms, giving people certificate of license
10 to operate a motor vehicle title service.

11 So if the investigators know this, they will
12 know the operations. They will not be asking for
13 documents that relate to title only.

14 (Pause.)

15 I would like the board to take serious notice
16 of the fact that the Nissan Murano went out of the door
17 with Tiffany Davis and never came back. If I go to any
18 dealership here in Austin, buy a car, junk it, and come
19 back and say give me the money I paid for the car that I
20 voluntarily junk, it would be no. That would be forsaken.

21 From my client and to also say, oh, the car was totaled
22 or there was a bad deal, defrauded the girl, that would be
23 wrong. That would be damaging my client's reputation.

24 So I am asking that the board --

25 MR. BACARISSE: Go ahead and finish your

1 sentence, Mr. Obas. Just finish your comment.

2 MR. OBAS: So the Board should consider this,
3 that the findings is not -- is not in line with the facts
4 of the case. It should be looked at without being --
5 looked at independently and not what somebody that don't
6 know something is recommending to the board.

7 Thank you.

8 MR. BACARISSE: Thank you. Hold on just a
9 moment.

10 Members, are there any questions for Mr. Obas?

11 MR. JONES: Mr. Chairman, I have a couple of
12 questions.

13 MR. BACARISSE: Mr. Jones.

14 MR. JONES: One question that I have that is
15 kind of confusing to me is it's referenced in the evidence
16 that the respondent testified that he has a license only
17 dealership and he does not sell vehicles. So to my
18 knowledge, if you -- what is a license only dealership?
19 Are you saying that he has a wholesale license that allows
20 him to offer floor plans to other licensed dealers or
21 individuals? Is he floorplanning them?

22 MR. OBAS: License only?

23 MR. JONES: Correct. Respondent testified that
24 his is a license only dealership, he only has the
25 authority to obtain licenses for vehicles. He does not

1 sell vehicles. And I've never heard of a -- what's the
2 point of having a license if you don't sell vehicles?

3 MR. OBAS: There is a clarity. I -- in my
4 submission, I said was some entity, two jobs. One is the
5 license that is distinct from title only. Title only is a
6 term that generally people use when they are dealing with
7 business known on that certificate of license to operate a
8 motor vehicle title service.

9 And that service only deal with --

10 MR. JONES: Correct.

11 MR. OBAS: The vehicle was bought by you, you
12 are registering the vehicle.

13 MR. JONES: But there are lots of title
14 services in the state, it does not require that you have a
15 dealer's license to be a title service company.

16 MR. OBAS: I'm saying he also have a
17 certificate of license to operate a motor vehicle title
18 service. On that service you only register vehicles, only
19 register the vehicle he bought. So for clarity, in a
20 dealership, yes, you buy, register and do it all,
21 everything, but on a motor vehicle title service you only
22 register the title to the vehicle. The vehicle is not
23 actually purchased by you.

24 MR. JONES: Okay. Mr. Chairman, I have one
25 more question, sir.

1 MR. BACARISSE: Sure, go ahead.

2 MR. JONES: You mentioned that the Volkswagen
3 that Mr. Garcia filed a complaint about that your client
4 had sold that vehicle to Mustafa, but that it was supposed
5 to be for export only. Correct?

6 MR. OBAS: Yes.

7 MR. JONES: So I know that when you are going
8 to do that, on the back of the title you have to indicate
9 that it's assigned export only. That way it can never be
10 registered again in the United States. But in order to
11 sell that vehicle, Mr. Mustafa would have to have a
12 dealer's license of some sort or the vehicle would have to
13 have been sold at a dealer's auto auction of some sort.

14 So my question is, does Mr. Mustafa, does he
15 hold a general distinguishing number? Is he a licensed
16 dealer?

17 MR. OBAS: He is not.

18 MR. JONES: Okay.

19 MR. OBAS: He's not.

20 MR. JONES: So how was your client able to sell
21 that vehicle to someone who's not a licensed dealer?

22 MR. OBAS: It was purchased on commission, yes,
23 and then Mr. Mustafa was supposed to export the vehicle,
24 not to sell it. By selling here, he indirectly lied to my
25 client because if not that this case came, my client would

1 not have known that the vehicle was sold here. Because my
2 client did not at any time have contact with Jose Garcia
3 during the transaction.

4 MR. JONES: Thank you very much.

5 MR. BACARISSE: Thank you.

6 Members, any other questions for Mr. Obas?

7 Yes, Member Gillman.

8 MS. GILLMAN: I still get confused between what
9 is a license-only dealer and a title-only dealer. Is that
10 the same?

11 MR. OBAS: What I said early is unclear. I
12 said title only is entity that is registered with the
13 county for registration of titles. While the other one,
14 which is dealership, is the one that this case is supposed
15 to be about.

16 MR. BACARISSE: If I may interject, I think
17 Member McRae, being a tax assessor-collector, could shed
18 some light on this.

19 Member McRae.

20 MS. McRAE: A motor vehicle title service falls
21 under Chapter 520 of the Transportation Code and that
22 license is issued through the county tax assessor-
23 collector and it allows a motor vehicle title service to
24 conduct business on behalf of an individual or a dealer if
25 they are registered. There are many title services

1 throughout the state of Texas, but they are registered at
2 the county level and they do not sell vehicles, as you
3 would with a general distinguishing number.

4 Does that answer your question, Member Gillman?

5 MS. GILLMAN: In general, they do not sell
6 vehicles to individuals.

7 MS. McRAE: That is correct. They process
8 title work and registration on behalf of individuals.

9 MS. GILLMAN: Thank you.

10 I do have one other question.

11 MR. BACARISSE: Please continue. Thank you.

12 MS. GILLMAN: You have used the term the
13 vehicle was sold as is, but then you said something about
14 if you junk it, and I didn't understand what you meant by
15 that.

16 MR. OBAS: I'm sorry for that. That was a term
17 she used in her testimony. It means she bought a vehicle
18 as is, months later she claimed she was dissatisfied, and
19 then she is like -- she throw away the vehicle, didn't
20 return. Junk it means she drove away with the vehicle,
21 not return it back to the place she bought it.

22 MS. GILLMAN: Okay. Thank you, sir.

23 MR. OBAS: Thank you, ma'am.

24 MR. BACARISSE: Members, any other questions of
25 Mr. Obas?

1 (No response.)

2 MR. BACARISSE: Seeing none, I think we will
3 now hear -- thank you, Mr. Obas, we appreciate your time
4 very much.

5 MR. OBAS: Thank you.

6 MR. BACARISSE: We will now hear from the
7 petitioner. The Texas Department of Motor Vehicles is
8 represented by Robert Rice, who will now make the
9 department's oral presentation.

10 Good morning, sir, and the time is yours.

11 MR. RICE: Good morning, Chairman Bacarisse,
12 Vice Chair McRae, members of the board. My name is Robert
13 Rice. I'm an attorney in the Enforcement Division. I'm
14 going to make a brief presentation on this case.

15 General Counsel Moriaty did an excellent job of
16 reviewing the procedural history, so I will not go over
17 that again. I just want to say that this case involves
18 several complaints, 12 alleged violations concerning
19 failure to transfer title, failure to answer records
20 requests, premises violations, selling off the licensed
21 premises, temporary tag misuse, and in addition, the
22 administrative law judge found that Fan Quality had
23 defrauded Tiffany Davis Pittard.

24 This case was heard over a period of four days,
25 spread out over a number of months. The administrative

1 law judge carefully considered the evidence presented,
2 including the documentary evidence which showed clearly
3 that the vehicles -- the four vehicles involved had
4 previously been owned by Fan Quality, and that they were
5 sold to the consumers discussed in the proposal for
6 decision. Fan Quality would have you believe that they
7 did not sell all those vehicles. The evidence is quite
8 clear in the record that they did sell all four vehicles.

9 Following the hearing, the administrative law
10 judge made a recommendation finding in favor of the
11 department, the petitioner, on all of the allegations;
12 admitted all of the evidence submitted by the department;
13 recommended a penalty of \$15,000 based upon the
14 aggravating factors which the administrative law judge far
15 outweighed the mitigating factors; and also, ordered
16 that -- or recommended that the board order Fan Quality to
17 reimburse Ms. Pittard \$6,342.50, which was the amount that
18 she, and others on her behalf, had paid to Fan Quality for
19 the vehicle.

20 The rationale for this reimbursement was pretty
21 simple and straightforward, well discussed by the
22 administrative law judge in the proposal for decision.
23 Simply put, she'd been defrauded. She thought she was
24 buying a 2005 model Murano, in fact it was a 2003.

25 She was never given the proper title to the

1 vehicle, so she wasn't able to title it here in Texas.
2 And then when she moved to Louisiana, she was not able to
3 title it there, and she ended up having the vehicle
4 scrapped. And so she was out \$6,342.50, and that is what
5 is behind the reimbursement.

6 I would add, no exceptions were filed to the
7 proposal for decision. That's important. If Fan Quality
8 took issue with what the administrative law judge had
9 done, had recommended, they should have filed exceptions.

10 They had that opportunity to raise what they viewed as
11 errors with the administrative law judge and allow the
12 administrative law judge to rule on those exceptions.
13 That was not done.

14 And we see no reason why you should be changing
15 any of the proposed findings or conclusions of law, and we
16 strongly believe that the recommendation of the
17 administrative law judge should be reflected in an order
18 issued by this board.

19 I'm happy to answer questions.

20 MR. BACARISSE: Thank you, Mr. Rice.

21 Members, any questions?

22 MR. JONES: Mr. Chairman, I have a question.

23 MR. BACARISSE: Mr. Jones.

24 MR. JONES: In regards to Ms. Pittard -- am I
25 saying that correct?

1 MR. RICE: I think it's Pittard.

2 MR. JONES: Pittard, okay. And the restitution
3 that the ALJ has essentially ruled on, is it not a
4 licensed dealer in Texas -- when we sell a vehicle to a
5 consumer, is it not our responsibility to transfer that
6 vehicle and record the sale with the state? In other
7 words, if you come in and buy a car from me, I can't just
8 hand you the title and say, Hey, go transfer this. Is
9 that correct?

10 MR. RICE: That is correct. The evidence in
11 this case, which was testimony of three of our
12 investigators, was that Fan Quality failed to transfer
13 title on behalf of Ms. Pittard, and that she was never
14 given title. And when she moved to Louisiana, she
15 notified Fan Quality -- this is in the record -- she
16 notified Fan Quality and Fan Quality at that point could
17 have sent her a title, since she was now an out-of-state
18 resident, they could have sent that to her. They did not
19 send her a title that she could transfer in Louisiana on
20 her own. So no effort was made to transfer title for her.

21 MR. JONES: Okay. Thank you very much.

22 MR. BACARISSE: Members, any other questions?
23 Member Graham.

24 MR. GRAHAM: What was the time frame when
25 apparently she did eventually scrap the vehicle in

1 Louisiana?

2 MR. RICE: Are you asking when it was scrapped?

3 MR. GRAHAM: Was it in -- I don't recall
4 reading it, I'm just sitting here thinking about that. I
5 know that the sell occurred in October, she continued to
6 attempt to reach out through the end of the year, January
7 was when they blocked the calls. Do you remember?

8 MR. RICE: I don't recall when she scrapped it.
9 I believe she testified to that, but I'm sorry, I don't
10 recall.

11 MR. GRAHAM: That's okay. Mr. Obas portrays it
12 in the light of she kept the car and then when she wanted
13 her money back, she had scrapped the car, and it's clear
14 that it was at least 60 days. I mean, we know just from
15 what I read that there was at least 60 days there where
16 she still didn't have the title. She's still trying to
17 get the title, so that pretty much right there tells you
18 she should have had the title.

19 MR. RICE: Well, certainly we agree with you,
20 Member Graham. She had the vehicle for well over 60 days
21 before she scrapped it. She made numerous efforts to get
22 the vehicle titled when she was still living in Galveston
23 and then when she moved to Louisiana, she made additional
24 efforts to obtain the title.

25 MR. GRAHAM: Thank you.

1 MR. BACARISSE: Members, any other questions?

2 MR. JONES: Mr. Chairman, can I do one quick
3 follow-up?

4 MR. BACARISSE: Sure.

5 MR. JONES: Was there a lien placed on this
6 vehicle, or was this Murano that was sold, was this a cash
7 transaction, with payment in full?

8 MR. RICE: It was a cash sale.

9 MR. JONES: No lien. Okay. Thank you.

10 MR. BACARISSE: Members, any other questions?

11 MS. GILLMAN: Yes, Mr. Chairman, I have a
12 question.

13 MR. BACARISSE: Member Gillman.

14 MS. GILLMAN: I know that sometimes it is
15 difficult to register a vehicle when the customer is not
16 living nearby, especially when it requires another
17 inspection, and that means that you have to go and find
18 the vehicle, find the customer and go and have it
19 inspected. And when they live in a different county and
20 then in a different state, I know from experience that it
21 takes sometimes a very big effort to get that inspection.

22 I'm also curious about the time between Ms.
23 Prichard --

24 MR. RICE: Pittard.

25 MS. GILLMAN: Pittard bought the vehicle and

1 when it was scrapped because it -- also, is this the one
2 that a second tag was printed and the request was to go
3 get it inspected, and she had moved? It seems that under
4 the circumstances, those hurdles of location seem to be a
5 reasonable reason why it was difficult to register the
6 vehicle, and I'm wanting -- and then it was scrapped, and
7 then it was gone. So that gets a little muddy to me.

8 MR. RICE: Are you asking me a question? Do
9 you want me to comment on that?

10 MS. GILLMAN: I guess I'm asking -- I'm asking
11 is it -- was there time?

12 MR. RICE: There were many months during which
13 Ms. Pittard -- her name was Davis at the time she made the
14 purchase, she was engaged, she got married, moved from
15 Galveston to Louisiana -- there were several months when
16 she was still living in Galveston before she moved to
17 Louisiana. The vehicle was not transferred in the State
18 of Texas to her.

19 Once she moved to Louisiana, the issue of the
20 inspection really would have gone away since she then was
21 living out of state and the title could have been sent
22 directly to her and she could have registered it in
23 Louisiana. She was never given the title. She was never
24 given a proper title when she lived in Louisiana and there
25 was no effort made to register the vehicle in Texas for

1 her.

2 MS. GILLMAN: But you have to do an inspection
3 in order to get the title.

4 MS. MORIATY: Mr. Chairman, if I may? I think
5 I can walk through some of this timeline, if that will
6 make it easier.

7 MR. BACARISSE: Certainly, Ms. Moriatty.

8 MS. MORIATY: So finding of fact number 43 says
9 that the vehicle was inspected on November 18, 2022. On
10 page 17 in footnote 71, we have that Ms. Pittard moved to
11 Louisiana on November 27, 2022, and from the discussion
12 that the ALJ does, it's clear that she had not junked the
13 vehicle by January 2023. It happened sometime thereafter.

14 MR. BACARISSE: Thank you for the
15 clarification.

16 Members, any other questions?

17 (No response.)

18 MR. BACARISSE: The chair would entertain a
19 motion.

20 MS. McRAE: Chairman, I'd like to make a
21 motion.

22 MR. BACARISSE: Certainly, Vice Chair McRae.

23 MS. McRAE: I move that the board accept the
24 administrative law judge's proposal for decision and adopt
25 findings of fact 1 through 54 and conclusions of law 1

1 through 23 as set forth therein. In keeping with the
2 ALJ's recommendation, I move that the board revoke the
3 respondent's GDN license, assess a civil penalty in the
4 amount of \$15,000, and refund Tiffany Pittard 100 percent
5 of the \$6,342.50 paid to the respondent.

6 MR. BACARISSE: Is there a second to this
7 motion?

8 MR. SCHLOSSER: I second.

9 MR. BACARISSE: Member Schlosser seconds. We
10 have a motion and a second.

11 Member McRae, as the maker of the motion, do
12 you have any further questions or do you need the floor to
13 begin deliberations at all? Are you good to go where the
14 motion stands?

15 MS. McRAE: I don't have any further questions.

16 MR. BACARISSE: Okay, great.

17 In that case, I would call for the vote,
18 please. Is there any further discussion on this motion?

19 (No response.)

20 MR. BACARISSE: Seeing none, hearing none, I
21 would call for the vote, please. When I call your name,
22 please vote aye or nay.

23 Member Alvarado?

24 MR. ALVARADO: Aye.

25 MR. BACARISSE: Member Gillman?

1 MS. GILLMAN: Aye.

2 MR. BACARISSE: Member Graham?

3 MR. GRAHAM: Aye.

4 MR. BACARISSE: Member Jones?

5 MR. JONES: Aye.

6 MR. BACARISSE: Member McRae?

7 MS. McRAE: Aye.

8 MR. BACARISSE: Member Schlosser?

9 MR. SCHLOSSER: Aye.

10 MR. BACARISSE: And I, Chair Bacarisse, vote
11 aye as well. It's unanimous. Thank you.

12 We'll now move to agenda item number 6 under
13 Emergency Rulemaking. Let's see, I think we're going to
14 have Ms. Thompson come -- Corrie is going to come and lay
15 this out for us and we'll have questions afterwards.

16 Ms. Thompson.

17 MS. THOMPSON: Yes. Good morning, Chairman,
18 Vice Chair McRae, Director Avitia, board members. Good to
19 see you this morning. Corrie Thompson, director of the
20 Enforcement Division.

21 I'm presenting agenda item 6, which begins on
22 page 66 in your board books. And before you we have a
23 recommendation to approve emergency amendments to Chapter
24 224.116 and 224.124, and to a new section 224.121 in
25 support of House Bill 1672 from the 89th Regular

1 Legislative Session. This bill became effective on May 24
2 of 2025.

3 The regular proposed non-emergency rule for
4 this package is also going to be included on the agenda
5 today as item 14 because the emergency rules can only be
6 extended up to 180 days.

7 So the Government Code under 2001.034
8 authorizes state agencies to adopt emergency rules without
9 prior notice if the agency finds that a requirement in
10 state law requires the adoption of a rule on fewer than 30
11 days notice. I mentioned the effective date of this bill
12 being May 24, 2025. Hence, the reason we are here today
13 with both packages.

14 So House Bill 1672 amends Transportation Code
15 to require that the department adopt rules to create
16 requirements and procedures for the following: for
17 revocation or suspension of a motor carrier's
18 registration; placement of a motor carrier on probation if
19 their registration is suspended; and the motor carrier's
20 appeal of the revocation, suspension or probation.

21 Transportation Code 643, if that applies to a
22 motor carrier, then that motor carrier must be registered
23 with the department to transport persons or cargo over a
24 road or a highway in Texas. And so registered means the
25 authority to operate on a road as a motor carrier rather

1 than registration in the general sense when we're speaking
2 about motor vehicles.

3 So the emergency revisions presented today
4 state that upon a request by the Department of Public
5 Safety that the department will immediately revoke a motor
6 carrier's registration if the Federal Motor Carrier Safety
7 Administration or the Department of Public Safety issues
8 an order stating that the motor carrier has an
9 unsatisfactory safety rating.

10 It is very important to know with this package
11 that this is changing the order of a process which already
12 exists within the department. So prior to the
13 implementation of 1672, the department would receive a DPS
14 referring regarding a carrier's unsatisfactory safety
15 rating, we would go through our administrative notice
16 process to give due process to the carrier and time to
17 respond, and at the conclusion of that administrative
18 process, we would then apply the revocation, which on the
19 department's website appears as a red thumbs-down,
20 indicating that the carrier does not have authorization to
21 operate in Texas.

22 So under the new law, DPS now requests that
23 revocation from the department and the department applies
24 it immediately. So upon receipt of the referral now, we
25 update the system to reflect the red thumbs-down, that the

1 operating authority is no longer good in Texas, and then
2 we follow through with the notice procedures and the
3 administrative process that allows that motor carrier to
4 respond with comment and an opportunity for a contested
5 case.

6 So under the new revisions, the department will
7 also not automatically rescind that if we receive notice
8 that the operating authority status has changed, so if
9 that order is taken back, it's not an automatic re-upping
10 of the registration; the carrier would have to reach back
11 out to the department to do that. There would be certain
12 limited instances in which we would rescind that
13 automatically per se if the underlying order was issued in
14 error or in violation of that carrier's due process
15 rights.

16 There is no financial impact associated with
17 this proposal today. And I will take any questions, but I
18 would ask that the board approve the emergency amendments
19 to the sections mentioned, with an effective date of July
20 10, 2025.

21 MR. BACARISSE: Thank you, Ms. Thompson.

22 Members, are there any questions for Ms.
23 Thompson on this agenda item 6?

24 (No response.)

25 MR. BACARISSE: Seeing none, Laura, any public

1 comments on this particular agenda item?

2 MS. MORIATY: No, sir, no public comments.

3 MR. BACARISSE: Okay. Thank you.

4 The chair would now entertain a motion on
5 agenda item number 6.

6 MR. JONES: Mr. Chairman, I'd like to make a
7 motion.

8 MR. BACARISSE: Member Jones.

9 MR. JONES: I move that the board approve the
10 emergency revisions to Chapter 224, as recommended by
11 staff, because the revisions are required by Texas
12 Transportation Code, Section 643.2526, as amended by House
13 Bill 1672. I further move that these emergency revisions
14 be effective for 120 days with an immediate effective date
15 of July 10, 2025. In addition, I move that the board
16 grant the department the authority to make non-substantive
17 changes to the preamble and text, as recommended by the
18 Office of the Texas Secretary of State, for purposes of
19 filing in the *Texas Register*.

20 MR. BACARISSE: Thank you, Member Jones.

21 Is there a second to that motion?

22 MS. McRAE: I'll second, Chairman.

23 MR. BACARISSE: Vice Chair McRae, thank you.

24 Any further discussion on this motion, this
25 item?

1 (No response.)

2 MR. BACARISSE: Seeing none, the chair will now
3 call the vote.

4 Member Alvarado?

5 MR. ALVARADO: Aye.

6 MR. BACARISSE: Member Gillman?

7 MS. GILLMAN: Aye.

8 MR. BACARISSE: Member Graham?

9 MR. GRAHAM: Aye.

10 MR. BACARISSE: Member Jones?

11 MR. JONES: Aye.

12 MR. BACARISSE: Vice Chair McRae?

13 MS. McRAE: Aye.

14 MR. BACARISSE: Member Schlosser?

15 MR. SCHLOSSER: Aye.

16 MR. BACARISSE: And I, Bacarisse, vote aye as
17 well. It's unanimous. Thank you.

18 Agenda item number 7 is a rule review proposal
19 under Texas Government Code 2001.039, Chapters 206, 211,
20 and 217, so we're going to move it over to Ms. Moriaty to
21 lay that out for us.

22 MS. MORIATY: Good morning again, Board. Laura
23 Moriaty, general counsel.

24 Today you have the opportunity to propose the
25 rule review for Chapter 206 of the board's rules which

1 covers Management, Chapter 211 of the board's rules which
2 covers Criminal History Offense and Action on License, and
3 one little section of Chapter 217 which is 217.27 which
4 covers Vehicle Registration Insignia.

5 For context, every state agency that adopts
6 rules is required every four years to go back and look at
7 those rules and see if the reasons for initially adopting
8 them continue to exist. And a reason they might not
9 continue to exist is if we've lost statutory authority or
10 if practice or the industry had changed so much that the
11 rule no longer reflected what was really going on. So if
12 we determine that the reasons for adopting the rule do not
13 still exist, we need to change or repeal the rule, and if
14 they do exist, we can just readopt it and move on for
15 another four years.

16 So you'll recall over the last two years we
17 have reviewed just about every chapter we have because we
18 were very far behind.

19 So the first chapter we're looking at this year
20 is Chapter 206 that you reviewed just last year. But
21 we're going to review it again because we need to space
22 our rule reviews out over a four-year period, so that we
23 only do three a year rather than ten, and we'll never have
24 to do this again. So we're reviewing Chapter 206 to
25 restart its clock so that we can have four years from now

1 before we have to review it again.

2 We are not recommending any changes for Chapter
3 206. I'm anticipating that that's going to be an open-
4 and-shut rule review.

5 The next chapter we're doing is Chapter 211.
6 You may recall that we had proposed a rule review and
7 amendments for Chapter 211 at the October 2024 board
8 meeting, but that then we got an opinion letter from the
9 FBI saying that they felt that our statutory authority for
10 fingerprinting wasn't sufficiently specific. Well, the
11 legislature came to our rescue this last session and has
12 given us new more specific statutory authority that was in
13 House Bill 2587. So we're now back to re-propose that
14 rule review, and you'll see in item 8 we're re-proposing
15 amendments that now align with that new statutory
16 authority and can clean everything up so that we're good
17 to go with fingerprinting and with Chapter 211 for the
18 next four years.

19 The last section we're dealing with is 217.27.

20 So you'll recall that we did Chapter 217 -- we did that
21 rule review just back, again, in October of 2024. So we
22 had one section that we couldn't rule review, that was
23 217.27, because it had -- the initial two-year
24 registrations for new vehicles was in it, and we didn't
25 have statutory authority for that because the statutory

1 authority had been in the safety inspection statute that
2 got repealed.

3 So the legislature again rode to our rescue
4 this year and they have given us new statutory authority
5 for two-year registrations of new vehicles, so we're good
6 to go. That was in Senate Bill 1729. So now we are
7 reviewing 217.27 to bring it in line with the rest of 217
8 so it can all travel together in the future, and you will
9 see amendments in agenda item 11 to align the statute with
10 the rule.

11 Okay. So today we're recommending that you
12 open the rule reviews for Chapter 206, Chapter 211, and
13 Section 217.27. If you vote to recommend that, staff will
14 publish all of that in the *Texas Register*, go out for
15 public comment to see if the public feels that the reasons
16 for initially adopting these continue to exist. We'll
17 bring back those public comments, along with the
18 amendments and public comments on the amendments in
19 September, and you'll get a chance to vote to readopt
20 everything for another four years.

21 So again, we just request that you approve
22 proposing these rule reviews for proposal. With that, I
23 am open to questions.

24 MR. BACARISSE: Thank you.

25 Members, any questions for Ms. Moriaty?

1 (No response.)

2 MR. BACARISSE: Seeing none, are there any
3 public comments on this, Laura?

4 MS. MORIATY: There are not, sir.

5 MR. BACARISSE: Okay. The chair would
6 entertain a motion on agenda item number 7.

7 MR. GRAHAM: Chairman, I'll make a motion.

8 MR. BACARISSE: Member Graham.

9 MR. GRAHAM: I move the board approve the
10 proposed notice of intention to review 43 Texas
11 Administrative Code, Chapter 206 and 211, Section 217.27
12 of Chapter 217, as recommended by staff, for publication
13 in the *Texas Register*. I also move that the board grant
14 the department the authority to make changes to the
15 proposed notice of intention of review, as recommended by
16 the Office of the Secretary of State, for the purposes of
17 filing in the *Texas Register*.

18 MR. BACARISSE: Thank you.

19 Is there a second to this motion?

20 MR. SCHLOSSER: I'll second.

21 MR. BACARISSE: Member Schlosser.

22 Any further questions?

23 (No response.)

24 MR. BACARISSE: I will now call for the vote on
25 this agenda item.

1 Member Alvarado?

2 MR. ALVARADO: Aye.

3 MR. BACARISSE: Member Gillman?

4 MS. GILLMAN: Aye.

5 MR. BACARISSE: Member Graham?

6 MR. GRAHAM: Aye.

7 MR. BACARISSE: Member Jones?

8 MR. JONES: Aye.

9 MR. BACARISSE: Vice Chair McRae?

10 MS. McRAE: Aye.

11 MR. BACARISSE: Member Schlosser?

12 MR. SCHLOSSER: Aye.

13 MR. BACARISSE: And I, Chair Bacarisse, vote

14 aye as well. It's unanimous. Thank you.

15 MS. MORIATY: Thank you.

16 MR. BACARISSE: Agenda item number 8, we'd love

17 to turn it over to Monique Johnston.

18 So welcome this morning, Monique.

19 MS. JOHNSTON: Good morning, Chairman, members,

20 Director Avitia. My name is Monique Johnston, for the

21 record. I'm director of the Motor Vehicle Division.

22 Today we are asking the board's permission to

23 begin the formal rulemaking process to make changes to

24 Chapter 211, Criminal History Offense and Action on

25 License in Title 43 of the Texas Administrative Code.

1 This rule is listed on your agenda as item number 8, and
2 the details may be found beginning on page 83 of your
3 board book.

4 The rule package proposes amendments, new
5 sections and repeals to Chapter 211 and is proposed in
6 conjunction with a notice of intent to rule reviews in
7 compliance with Government Code 2001.039, presented to the
8 board this morning by Ms. Moriaty in agenda item number 7.

9 Chapter 211 was first adopted in 2020 and was
10 significantly amended in 2022 to add fingerprinting
11 requirements. In proposing these amendments, repeals and
12 new sections, the department has the following eight
13 goals: to support implementation of Senate Bill 2587 and
14 Senate Bill 1080 enacted in the most recent legislative
15 session; to organize the rules in two subchapters for
16 consistency with other chapters in the Texas
17 Administrative Code; to clarify that these guidelines
18 apply to licenses issued by the department, not
19 registrations or authorizations; and to clarify which
20 crimes the department considers as crimes related to the
21 duties and responsibilities of license holders, including
22 the addition of certain crimes related to child
23 trafficking and crimes related to using a firearm to
24 intimidate or harm another for retail license holders.

25 This also has a goal to conform rule language

1 with statutory changes in SB 224 from the 2023 Legislative
2 Session which added crimes related to damage, destruction
3 and tampering of motor vehicles during the removal or
4 attempted removal of the catalytic converter. It also has
5 a goal to delete duplicative language found in statute and
6 to clarify existing requirements regarding fingerprinting
7 of trust beneficiaries. And finally, to modernize
8 language and improve readability.

9 This proposal would also support the
10 implementation of two bills the legislature passed in the
11 89th Regular Legislative Session earlier this year.
12 Senate Bill 2587 clarified the persons from whom the
13 department could require fingerprinting based criminal
14 history background check, and Senate Bill 1080 added
15 circumstances in which the state agency is required to
16 revoke a license upon imprisonment of a license holder.

17 MVD requests your approval to proceed with the
18 publication in the *Texas Register* so we may receive public
19 comments and move forward in the rulemaking process.

20 This concludes my remarks, and I can answer any
21 questions if you have any.

22 MR. BACARISSE: Thank you, Ms. Johnston.

23 Members, any questions?

24 (No response.)

25 MR. BACARISSE: Seeing none, Laura, any public

1 comments on this section?

2 MS. MORIATY: No, sir, no public comments.

3 MR. BACARISSE: In that case, the chair would
4 entertain a motion on agenda item 8.

5 MR. SCHLOSSER: I'll make a motion.

6 MR. BACARISSE: Member Schlosser.

7 MR. SCHLOSSER: I move that the board approve
8 the proposed amendments, new sections and repeals in 43
9 Texas Administrative Code, Chapter 211, as recommended by
10 staff, for publication in the *Texas Register*. In
11 addition, I move that the board grant the department the
12 authority to make non-substantive changes to the preamble
13 and text, as recommended by the Office of the Texas
14 Secretary of State, for purposes of filing in the *Texas*
15 *Register*.

16 MR. BACARISSE: Is there a second to this
17 motion?

18 MS. GILLMAN: I'll second.

19 MR. BACARISSE: Member Gillman, thank you.

20 Any further discussion on this motion, members?

21 (No response.)

22 MR. BACARISSE: I'll now call the vote.

23 Member Alvarado?

24 MR. ALVARADO: Aye.

25 MR. BACARISSE: Member Gillman?

1 MS. GILLMAN: Aye.

2 MR. BACARISSE: Member Graham?

3 MR. GRAHAM: Aye.

4 MR. BACARISSE: Member Jones?

5 MR. JONES: Aye.

6 MR. BACARISSE: Vice Chair McRae?

7 MS. McRAE: Aye.

8 MR. BACARISSE: Member Schlosser?

9 MR. SCHLOSSER: Aye.

10 MR. BACARISSE: And I, Chair Bacarisse, vote
11 aye as well. It's unanimous. Thank you.

12 We now move to agenda item 9, and I'll turn it
13 over to Annette Quintero and Monique Johnston.

14 Good morning. Good morning, Annette.

15 MS. QUINTERO: Good morning. Thank you.

16 Good morning, Chairman, Executive Director
17 Avitia, and members of the board. I am Annette Quintero,
18 director of Vehicle Titles and Registration Division. I
19 am here today to present item 9 which starts in the
20 supplemental section of your board book.

21 This item is an action item to request your
22 approval to publish proposed rule amendments and new
23 sections in the *Texas Register* for public comment. The
24 proposed changes implement four pieces of legislation:
25 House Bill 718 from the 88th Legislature, Senate Bill

1 1902, House Bill 5629, and Senate Bill 1818 from the 89th
2 Legislature. In addition to implementing these bills, the
3 proposed amendments also improve readability and
4 consistency in cross-rule language.

5 House Bill 718 made significant changes to how
6 vehicles are issued license plates. As of July 1, 2025,
7 the use of temporary tags has been eliminated. Instead,
8 vehicles must now be issued license plates at the time of
9 sale.

10 To support this change, House Bill 718
11 authorized the department to establish new distribution
12 methods, systems, procedures and related fees. The
13 legislature directed the department to adopt rules by
14 December 1, 2024, which we did by publishing in the July
15 12 and November 8, 2024 issues of the *Texas Register*.

16 However, full rulemaking is necessary. Senate
17 Bill 1902 made adjustments to how license plates should be
18 handled post sale. Specifically it requires a dealer to
19 either transfer a removed plate to another vehicle of the
20 same class within ten days or dispose of the plate under
21 department rules. This change was also effective July 1,
22 2025, and we are required to adopt implementing rules by
23 October 1, 2025.

24 House Bill 5629 and Senate Bill 1818 amend the
25 Occupations Code to update licensing requirements for

1 military service members and spouses, effective September
2 1, 2025. These changes apply to all licenses issued by
3 the department. One key provisions exempts individuals
4 who hold a license from incurring a penalty for failing to
5 renew their license on time if the delay was due to being
6 on active military duty. This ensures that those serving
7 our country are not penalized for circumstances beyond
8 their control and reflects a broader effort to support
9 military families.

10 To address these requirements, we are proposing
11 amendments to 215.83 and new 215.91 under Subchapter B
12 which applies to all department issued licenses under
13 Occupations Code, Chapter 2301 and Transportation Code
14 503.

15 We are also proposing amendments to 215.151 to
16 clarify circumstances when a dealer may mail or deliver
17 license plates to a buyer or converter, particularly when
18 the vehicle is not physically located at the dealer's lot,
19 a scenario not addressed in earlier rulemaking.
20 Additionally, we are introducing 215.163, a new rule that
21 addresses license plate disposition for auction and
22 consignment sales, a gap that was not covered in prior
23 rules. While a version of this rule was published
24 following your approval in April 2025, it was withdrawn
25 after SB 1902 was signed into law. This revised version

1 aligns with new statutory requirements.

2 To support these efforts, the department shared
3 an early draft of the proposed rule with the Motor Vehicle
4 Industry Regulation Advisory Committee, MVIRAC, in
5 November 2024 and June 2025. Committee members provided
6 both formal motions and informal comments which have been
7 incorporated into this proposal. Additionally, the
8 department considered feedback from license holders who
9 regularly participate in motor vehicle auctions.

10 These amendments are intended to both minimize
11 the risk of license plate fraud, especially in auction and
12 consignment sale scenarios, and to avoid unnecessary
13 operational or cost burdens on license holders.

14 Finally, non-substantive changes are proposed
15 in 215.133 and 215.144 to improve readability and
16 terminology consistency.

17 We recommend approval to publish the proposed
18 amendments and new sections in the *Texas Register* for
19 public comment. This will allow stakeholders to review
20 and provide feedback on the critical updates.

21 I'm happy to answer any questions.

22 MR. BACARISSE: Thank you, Ms. Quintero.

23 Members, any questions on this item?

24 (No response.)

25 MR. BACARISSE: Hearing none, any public

1 comment on this item, Laura?

2 MS. MORIATY: No, sir, no public comment.

3 MR. BACARISSE: Before I entertain a motion, I
4 just want to say, since I have you up here, Ms. Quintero,
5 congratulations to you and your team for a big, big heavy
6 lift, and we're still lifting on this implementation. It
7 has not gone unnoticed that you are available and this
8 board appreciates all your good work personally and that
9 of your team and everybody else in the agency as well. So
10 I just want to express that to you. Thank you.

11 MS. QUINTERO: Thank you.

12 MR. BACARISSE: Members, the chair would
13 entertain a motion on this agenda item.

14 MR. ALVARADO: I'll make a motion, Mr.
15 Chairman.

16 MR. BACARISSE: Member Alvarado.

17 MR. ALVARADO: I move that the board approve
18 the proposed amendments and new sections in 43 Texas
19 Administrative Code, Chapter 215, as recommended by staff,
20 for publication in the *Texas Register*. In addition, I
21 move that the board grant the department the authority to
22 make non-substantive changes to the preamble and text, as
23 recommended by the Office of the Texas Secretary of State,
24 for purposes of filing in the *Texas Register*.

25 MR. BACARISSE: Is there a second to this

1 motion?

2 MR. GRAHAM: Second.

3 MR. BACARISSE: Member Graham.

4 Any further discussion on this motion, this
5 item?

6 (No response.)

7 MR. BACARISSE: Seeing none, the chair will
8 call the roll for the vote.

9 Member Alvarado?

10 MR. ALVARADO: Aye.

11 MR. BACARISSE: Member Gillman?

12 MS. GILLMAN: Aye.

13 MR. BACARISSE: Member Graham?

14 MR. GRAHAM: Aye.

15 MR. BACARISSE: Member Jones?

16 MR. JONES: Aye.

17 MR. BACARISSE: Vice Chair McRae?

18 MS. McRAE: Aye.

19 MR. BACARISSE: Member Schlosser?

20 MR. SCHLOSSER: Aye.

21 MR. BACARISSE: And I, Chair Bacarisse, vote
22 aye as well. It's unanimous. Thank you.

23 Moving to agenda item number 10, looking over
24 to Monique again.

25 Ms. Johnston.

1 MS. JOHNSTON: Yes, hello. Monique Johnston
2 again, for the record, director of Motor Vehicle Division.

3 Today we are asking the board's permission to
4 begin formal rulemaking process to make changes to 221.17
5 in Chapter 221 of the Salvage Vehicle Dealers in Title 43
6 of the Texas Administrative Code. The rule item is listed
7 in your agenda as item number 10 and the details may be
8 found in the item 10 supplemental board materials.

9 The rule package proposes amendments to 221.17,
10 License Processing for Military Service Members, Spouse,
11 Veterans to support implementation of two bills from the
12 recently concluded 89th Legislative Regular Session. Both
13 bills are effective September 1, 2025.

14 House Bill 5629 amended Occupations Code 55.004
15 and 55.0041 to change the standard for how a state agency
16 must process military related license applications and how
17 an agency must compare licensing requirements in other
18 states with Texas requirements when reviewing a license
19 application for a military service member, a military
20 veteran, or a military spouse licensed in good standing in
21 another state.

22 House Bill 5629 requires a military service
23 member, military veteran or military spouse to submit an
24 application for a license. The department is then
25 required to determine if the licensing requirements in the

1 other state are similar to the scope of practice and if
2 the applicant is in good standing in that state. House
3 Bill 5629 also shortens the time from 30 days to 10 days
4 for the department to either issue a license or to notify
5 the applicant why that license cannot be issued. The same
6 time also applies to a military applicant licensed in
7 Texas within the previous five years.

8 Senate Bill 1818 also amended Occupations Code
9 55.004 and 55.0041 and will require the department to
10 issue a provisional license once a military service
11 member, military veteran or military spouse submits a
12 license application.

13 House Bill 5629 requires the department to
14 adopt rules as soon as practicable after September 1,
15 2025, and Senate Bill 1818 requires the department to
16 adopt rules by December 1, 2025.

17 MVD requests your approval to proceed with
18 publication in the *Texas Register* so we may receive public
19 comments and move forward with the formal rulemaking
20 process.

21 Members, this concludes my remarks, and I'm
22 happy to answer any questions you might have.

23 MR. BACARISSE: Thank you, Ms. Johnston.

24 Members, any questions on this item for Ms.
25 Johnston?

1 (No response.)

2 MR. BACARISSE: Seeing none, are there any
3 public comments on this item, Laura?

4 MS. MORIATY: No, sir, no public comments.

5 MR. BACARISSE: Thank you.

6 The chair would entertain a motion on agenda
7 item 10.

8 MR. GRAHAM: Chairman, I'll make a motion.

9 MR. BACARISSE: Member Graham.

10 MR. GRAHAM: I move the board approve the
11 proposed amendments in 43 Texas Administrative Code,
12 Chapter 221, Section 221.17, as recommended by staff, for
13 publication in the *Texas Register*. In addition, I move
14 the board grant the department the authority to make non-
15 substantive changes to the preamble and text, as
16 recommended by the Office of the Texas Secretary of State,
17 for purposes of filing in the *Texas Register*.

18 MR. BACARISSE: Thank you, Member Graham.

19 Is there a second to that motion?

20 MS. McRAE: I'll second.

21 MR. SCHLOSSER: I'll second.

22 MR. BACARISSE: Member Schlosser.

23 Any further discussion on this item, members?

24 (No response.)

25 MR. BACARISSE: I will now call the vote,

1 please.

2 Member Alvarado?

3 MR. ALVARADO: Aye.

4 MR. BACARISSE: Member Gillman?

5 MS. GILLMAN: Aye.

6 MR. BACARISSE: Member Graham?

7 MR. GRAHAM: Aye.

8 MR. BACARISSE: Member Jones?

9 MR. JONES: Aye.

10 MR. BACARISSE: Vice Chair McRae?

11 MS. McRAE: Aye.

12 MR. BACARISSE: Member Schlosser?

13 MR. SCHLOSSER: Aye.

14 MR. BACARISSE: And I, Bacarisse, vote aye as
15 well. It's unanimous. Thank you. Thank you both.

16 Agenda item number 11 is upon us and I will
17 once again hand the podium back to Ms. Quintero.

18 MS. QUINTERO: Good morning, Chairman,
19 Executive Director Avitia, board members. Again, my name
20 is Annette Quintero, the Vehicle Titles and Registration
21 director.

22 I'm presenting agenda item 11 which does start
23 on page 201 of your board book. This item is an action
24 item to request your approval to public proposed rule
25 amendments to Chapter 217 in the *Texas Register* for public

1 comment. The proposed amendments will implement Senate
2 Bill 1729 and Senate Bill 1902 from the 89th Legislature.

3
4 Senate Bill 1729 amended Transportation Code
5 502.044 to designate a 24-month registration period for
6 certain new passenger cars and light trucks sold in Texas
7 or purchased by a commercial fleet buyer, as described in
8 Transportation Code 501.0234, for use in Texas. These
9 proposed amendments are necessary to implement that change
10 and ensure the department's rules align with new statutory
11 requirements.

12 We are also removing outdated language that
13 references Transportation Code 548.102 which was repealed
14 by HB 3297. That section previously governed the initial
15 two-year inspection period for passenger cars and light
16 trucks and its repeal makes the language no longer
17 applicable.

18 To implement Senate Bill 1902, amendments are
19 proposed to 217.53 to align with changes made to
20 Transportation Code 504.901. These changes address how
21 license plates must be handled during both dealer and non-
22 dealer vehicle transactions.

23 For dealer transaction, SB 1902 now requires a
24 dealer who receives a vehicle into inventory by sale or
25 transfer to remove the assigned general issue license

1 plates, remove and dispose of the registration insignia,
2 and either transfer the license plates to another motor
3 vehicle in inventory within ten days or destroy them in
4 accordance with 215.151. The proposed amendments to
5 217.53 reflect these new requirements and clarify the
6 proper handling and timing of plate transfers or
7 destruction, helping prevent misuse or fraudulent
8 activity.

9 For non-dealer transactions, SB 1902 reverses
10 previous provisions from HB 718 and now requires the
11 seller, when neither party holds a GDN, to remove the
12 license plates from the vehicle at the time of sale. The
13 seller may choose to transfer the removed plates to
14 another motor vehicle of the same classification that is
15 titled in their name by submitting a request to the county
16 tax assessor-collector, or destroy the plates using one of
17 the approved methods.

18 Amendments to 217.53(b) and (c) update the rule
19 accordingly, replacing outdated language and providing
20 more precise descriptions of acceptable destruction
21 consistent with those already in place for dealers under
22 215.158.

23 Lastly, amendments to 217.53(d) implement SB
24 1902 by restoring a provision that allows a purchaser in a
25 non-dealer transaction to obtain a vehicle transit permit

1 under Transportation Code 502.492. This permit allows the
2 buyer to operate the vehicle on public roadways for the
3 purpose of taking it home or completing the titling and
4 registration process.

5 These changes improve clarity, restore
6 statutory intent from prior versions of the law, and help
7 reduce the risk of plate misuse during vehicle transfers.

8 Updates to 217.52 will clarify the fee
9 associated with restyling any specialty license plate to
10 an embossed format. That fee is \$75. This reflects the
11 higher cost of the embossing process on the new plate
12 which the department vendor incurs regardless of whether
13 the original plate that the person is seeking to replace
14 was embossed.

15 Finally, the amendment to 217.185 would
16 eliminate the one dollar discount currently applied to
17 online vehicle registration renewals. This change is
18 necessary to address increased costs associated with
19 processing registration transactions across the state.
20 The current processing and handling fee, along with
21 associated online discounts, was established in 2016 and
22 implemented in January of 2017. At that time the discount
23 served as an incentive to encourage Texans to use the
24 online system. Since then, the department has launched
25 Texas by Texas, a mobile application that makes

1 registration renewal even more accessible.

2 However, while the fee and discount amounts
3 have remained unchanged since 2017, the cost of processing
4 these transactions has increased significantly, driven by
5 a 34 percent cumulative inflation rate and rising
6 information technology and staffing costs. Under
7 Transportation Code 502.1911, the fee must be sufficient
8 to cover these growing costs.

9 Additionally, the online adoption incentive has
10 served its purpose. Over the past three years,
11 approximately 30 percent of renewal transactions have been
12 successfully processed through Texas by Texas and/or the
13 internet vehicle title and registration service, IVTRS.
14 Given the success, the discount is no longer necessary and
15 removing it will help ensure the fee structure keeps pace
16 with the department's operational needs.

17 We recommend approval to publish these
18 amendments in the *Texas Register* for comment to ensure
19 transparency and stakeholder engagement as we move
20 forward.

21 I'm happy to answer any questions.

22 MR. BACARISSE: Thank you very much, Ms.
23 Quintero.

24 Members, questions? Member Graham.

25 MS. GILLMAN: I have a question.

1 MR. BACARISSE: I recognized Member Graham and
2 then I'll come right to you, Member Gillman.

3 MS. GILLMAN: I'm sorry.

4 MR. BACARISSE: No problem.

5 MR. GRAHAM: I don't need no trouble, ma'am.

6 (General laughter.)

7 MS. GILLMAN: Go right ahead.

8 MR. GRAHAM: Just for clarification, the two-
9 year registration, is it still just at purchase new, or
10 has that changed to other renewals?

11 MS. QUINTERO: It's for new passenger cars and
12 light trucks but also for commercial fleet buyers.

13 MR. GRAHAM: But still only with a new vehicle.
14 Okay. Thank you.

15 MR. BACARISSE: Member Gillman.

16 MR. GRAHAM: Member Gillman.

17 MS. GILLMAN: Thank you, members, Chairman.

18 Annette, I don't expect you to know this off
19 the top of your head, but the part that you clarified for
20 me that I still had a question about, you clarified it
21 beautifully and I love it, but will you tell me where it
22 is in the board book. The part about that when a buyer
23 chooses to not keep his old plate but instead get a new
24 general issue plate and the part where we can either
25 reissue or destroy, where is that?

1 MS. QUINTERO: Let me clarify a couple of
2 things because I talked about a couple of different
3 scenarios. One scenario is a GDN sale, so in 1902 and how
4 it impacts dealer transactions.

5 MS. GILLMAN: That's the part I'm more
6 concerned about.

7 MS. QUINTERO: And so the dealer can remove the
8 assigned general issue license plate, dispose of the
9 registration insignia and either transfer those plates to
10 another motor vehicle or destroy those plates within ten
11 days.

12 MS. GILLMAN: Thank you. I just want to see
13 the page number.

14 MS. QUINTERO: Yes.

15 MS. GILLMAN: It's written in here somewhere.
16 You can give it to me later if you want.

17 MS. QUINTERO: Sounds good.

18 MS. GILLMAN: Thank you.

19 MS. QUINTERO: Absolutely.

20 MR. AVITIA: Member Gillman, I believe general
21 counsels are also searching for the page reference.

22 MS. MORIATY: Yes, Member Gillman. The problem
23 is it's in several places, so I think it would be easier
24 for us to get you a reference afterwards.

25 MS. GILLMAN: That's fine. Thank you very

1 much.

2 MR. BACARISSE: Members, any other questions?

3 (No response.)

4 MR. BACARISSE: Seeing none, I would entertain
5 a motion on agenda item 11.

6 MR. JONES: Mr. Chairman, I'd like to make a
7 motion.

8 MR. BACARISSE: Member Jones.

9 MR. JONES: I move that the board approve the
10 proposed amendments in 43 Texas Administrative Code,
11 Chapter 217, as recommended by staff, for publication in
12 the *Texas Register*. In addition, I move that the board
13 grant the department the authority to make non-substantive
14 changes to the preamble and text, as recommended by the
15 Office of the Texas Secretary of State, for purposes of
16 filing in the *Texas Register*.

17 MR. BACARISSE: And is there a second for this
18 motion?

19 MS. GILLMAN: I second.

20 MS. McRAE: I second.

21 MR. BACARISSE: Okay, great, ladies. Thank
22 you.

23 We have a motion and a second. Is there any
24 further discussion on this agenda item?

25 (No response.)

1 MR. BACARISSE: Seeing none, the chair will
2 call the vote, please.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Gillman?

6 MS. GILLMAN: Aye.

7 MR. BACARISSE: Member Graham?

8 MR. GRAHAM: Aye.

9 MR. BACARISSE: Member Jones?

10 MR. JONES: Aye.

11 MR. BACARISSE: Vice Chair McRae?

12 MS. McRAE: Aye.

13 MR. BACARISSE: Member Schlosser?

14 MR. SCHLOSSER: Aye.

15 MR. BACARISSE: And I, Chair Bacarisse, vote
16 aye as well. It's unanimous. Thank you.

17 We now move to agenda item number 12, and we'll
18 have Mr. Archer come up. And while you're getting settled
19 in there, Jimmy, let me just mention that the chair will
20 take a brief recess after agenda item 15, so hang in
21 there, gang.

22 Mr. Archer, please.

23 MR. ARCHER: Good morning, Chair Bacarisse,
24 Executive Director Avitia, members of the board. For the
25 record, my name is Jimmy Archer, I'm director of the

1 Motor Carrier Division.

2 This item is number 12 on today's agenda, and
3 the materials are found beginning on page 241 of your
4 board books.

5 For the board's consideration, I'm presenting
6 proposed new Chapter 220 for approval to publish in the
7 *Texas Register*. The proposed new Chapter 220 would
8 implement Senate Bill 2807, 89th Legislative
9 Regular Session in 2025. Proposed rules required to
10 implement Senate Bill 2807 regarding authorization for a
11 person to operate one or more automated vehicles to
12 transport property or passengers and further a commercial
13 enterprise on highways and streets in the state without a
14 human driver. The purpose of the regulation under Senate
15 Bill 2807, an automated motor vehicle is a vehicle capable
16 of the real-time performance of operational and tactical
17 functions required to operate the vehicle without a human
18 driver.

19 Proposed rules prescribe the form and manner of
20 application for authorization to operate one or more
21 automated motor vehicles, as well as to update certain
22 documents that the authorization holder provided to the
23 department under Transportation Code, Section 545.456.

24 Senate Bill 2807 is effective September 1,
25 2025. It requires that the board and the Public Safety

1 Commission adopt rules to implement certain provisions of
2 Senate Bill 2807 regarding automated motor vehicles by
3 December 1, 2025. However, a person is not required to
4 comply with Senate Bill 2807 until the 90th day after the
5 effective date of the rules adopted by the board and the
6 Public Safety Commission.

7 The department anticipates that the programming
8 to implement Senate Bill 2807 will be completed by late
9 April of 2026. At a future board meeting, the department
10 will request the board adopt the proposed rules and will
11 recommend the effective date of the rules based on
12 scheduled completion of the programming. For each year of
13 the first five fiscal years of the new rules will be in
14 effect, there will be no significant fiscal impact to
15 either state or local governments in its own enforcement
16 or administration of the proposal.

17 Again, I ask the board approve these proposed
18 rules for publication and comment, as required, to
19 implement Senate Bill 2807. Staff anticipates publication
20 in the July 25, 2025 issue of the *Texas Register*.

21 I'm happy to answer any questions you may have.

22 MR. BACARISSE: Members, any questions for Mr.
23 Archer on this item?

24 (No response.)

25 MR. BACARISSE: Seeing none, are there any

1 public comments, Laura, on this item?

2 MS. MORIATY: No, sir, no public comments.

3 MR. BACARISSE: Thank you, Mr. Archer, I
4 appreciate it.

5 The chair would entertain a motion on agenda
6 item 12.

7 MR. GRAHAM: Chairman, I'll make a motion.

8 MR. BACARISSE: Member Graham.

9 MR. GRAHAM: I move the board approve the
10 proposed new 43 Texas Administrative Code, Chapter 220, as
11 recommended by staff for publication in the *Texas*
12 *Register*. In addition, I move that the board grant the
13 department the authority to make non-substantive changes
14 to the preamble and text, as recommended by the Office of
15 the Texas Secretary of State, for purposes of filing in
16 the *Texas Register*.

17 MR. BACARISSE: Thank you.

18 Is there a second to this motion?

19 MR. SCHLOSSER: I'll second.

20 MR. BACARISSE: Member Schlosser, thank you.

21 Any further discussion on this motion?

22 (No response.)

23 MR. BACARISSE: Seeing none, the chair will
24 call the roll, please.

25 Member Alvarado?

1 MR. ALVARADO: Aye.

2 MR. BACARISSE: Member Gillman?

3 MS. GILLMAN: Aye.

4 MR. BACARISSE: Member Graham?

5 MR. GRAHAM: Aye.

6 MR. BACARISSE: Member Jones?

7 MR. JONES: Aye.

8 MR. BACARISSE: Vice Chair McRae?

9 MS. McRAE: Aye.

10 MR. BACARISSE: Member Schlosser?

11 MR. SCHLOSSER: Aye.

12 MR. BACARISSE: And I, Chair Bacarisse, vote
13 aye as well. It's unanimous.

14 Thank you, Mr. Archer, appreciate it.

15 Moving to agenda item 13 now, and we'll have
16 Corrie Thompson back to walk us through this one.

17 So, Ms. Thompson.

18 MS. THOMPSON: Good morning again, Chairman,
19 Vice Chair McRae, Director Avitia, and board members.
20 Corrie Thompson, director of the Enforcement Division.

21 And I'm now presenting agenda item 13 which
22 begins on page 256 in your board book, and before you now
23 is a recommendation to approve the publishing of proposed
24 amendments and new sections in Texas Administrative Code,
25 Chapter 224 to be published in the *Texas Register* to

1 receive public comment.

2 These proposed revisions are being offered to
3 implement Senate Bill 2807 which becomes effective on
4 September 1, 2025, with rules to be adopted by the board
5 by December 1, 2025. Senate Bill 2807 amends Subchapter J
6 of Chapter 545 of the Texas Transportation Code regarding
7 the operation of automated motor vehicles.

8 These amendments, as Mr. Archer has stated in
9 the previous agenda item, include requirements for people
10 to receive and maintain an authorization issued by the
11 department in order to be able to operate an automated
12 motor vehicle to transport property or passengers in
13 furtherance of a commercial enterprise on a highway or a
14 street in the State of Texas without a human driver.

15 The proposals set out the processes and the
16 requirements regarding the administrative handling of
17 these matters, namely the processing requirements for when
18 an authorization holder fails to update documents
19 submitted to the department, which can result in
20 suspension, revocation, or cancellation of that
21 authorization, and then the process for the rescission of
22 that administrative action following compliance by the
23 entity.

24 The revisions also set out the process for when
25 the department determines that an automated motor vehicle

1 is not in a safe operational condition and that the
2 condition and operation of the vehicle endangers the
3 public. The rules detail the process, again for the
4 suspension, revocation, or cancellation of that
5 authorization, as well as the imposition of a restriction
6 on the operation of the automated motor vehicle, as well
7 as the removal of that restriction, and then the steps the
8 authorization holder can take if the department does
9 suspend, revoke or cancel that authorization or if the
10 department imposes a restriction on the operation of that
11 vehicle.

12 So those things would involve requesting the
13 department to review the decision and issues a final
14 determination, and the ability to request a hearing at the
15 State Office of Administrative Hearings if the entity is
16 aggrieved by the action of the department in that final
17 determination made.

18 The proposed amendments do also provide
19 procedures regarding a special public meeting, at which
20 the director of the Motor Carrier Division is authorized
21 to review a contested case, and additional revisions serve
22 to clean up rule text to address the processing
23 requirements for when the Motor Carrier Division director
24 is the final order authority for certain contested cases.

25 It should be noted that while the rules must be

1 adopted by the department by December 1, 2025, a person is
2 not required to comply with the provisions regarding
3 automated motor vehicle operation until the 90th day
4 following the effective date of those rules that are
5 adopted by the board and the Public Safety Commission, who
6 also has a responsibility of adopting rules under this
7 bill.

8 We anticipate that programming to implement
9 Senate Bill 2807 will be complete by April of 2026. And
10 at a future board meeting, the department will be
11 requesting that the board adopt the proposed rules and
12 we'll recommend the effective date based on the
13 programming that's been completed at that time.

14 There are no significant fiscal impacts
15 associated with this proposal. I will answer any
16 questions, but at this time, I'd ask the board to approve
17 the publication of these proposed amendments and the new
18 section so that we can receive public comment.

19 MR. BACARISSE: Thank you, Ms. Thompson.

20 Members, any questions for Ms. Thompson?

21 (No response.)

22 MR. BACARISSE: Seeing none, are there any
23 public comments on this section?

24 MS. MORIATY: No, sir, no public comments.

25 MR. BACARISSE: Great. The chair would

1 entertain a motion on agenda item 13.

2 MS. McRAE: I'll move.

3 MR. BACARISSE: Vice Chair McRae.

4 MS. McRAE: I move that the board approve the
5 proposed amendments and new section in 43 Texas
6 Administrative Code, Chapter 224, as recommended by staff,
7 for publication in the *Texas Register*. In addition, I
8 move that the board grant the department the authority to
9 make non-substantive changes to the preamble and text, as
10 recommended by the Office of the Texas Secretary of State,
11 for purposes of filing in the *Texas Register*.

12 MR. BACARISSE: Thank you.

13 Is there a second to this motion?

14 MR. ALVARADO: Second.

15 MR. BACARISSE: Member Gillman.

16 MS. GILLMAN: I'll second.

17 MR. BACARISSE: Alvarado called it. Holler at
18 me, Stacey.

19 Any further discussion on this item?

20 (No response.)

21 MR. BACARISSE: Seeing none, the chair will now
22 call the vote.

23 Member Alvarado?

24 MR. ALVARADO: Aye.

25 MR. BACARISSE: Member Gillman?

1 MS. GILLMAN: Aye.

2 MR. BACARISSE: Member Graham?

3 MR. GRAHAM: Aye.

4 MR. BACARISSE: Member Jones?

5 MR. JONES: Aye.

6 MR. BACARISSE: Vice Chair McRae?

7 MS. McRAE: Aye.

8 MR. BACARISSE: Member Schlosser?

9 MR. SCHLOSSER: Aye.

10 MR. BACARISSE: And I, Bacarisse, vote aye as
11 well. It's unanimous. Thank you.

12 We now move to agenda item 14, and again Ms.
13 Thompson will walk us through that one. So go right
14 ahead.

15 MS. THOMPSON: Yes. Chairman, members of the
16 board, Corrie Thompson again, director of the Enforcement
17 Division, now presenting agenda item 14 which begins on
18 page 306 of the board book.

19 Now before you is a recommendation to approve
20 the publishing of proposed amendments in Texas
21 Administrative Code 224.116, 224.124, and new section
22 224.121 in the *Texas Register* so that we can receive
23 public comment. This is being proposed I support of the
24 implementation of House Bill 1672 which became effective
25 on May 24, 2025. As stated earlier, the emergency version

1 of this package was included in today's board meeting as
2 agenda item number 6.

3 House Bill 1672 amended Transportation Code to
4 require that the department adopt rules to create
5 requirements and procedures for the revocation or
6 suspension of a motor carrier's registration, placement of
7 that motor carrier on probation if the registration is
8 suspended, and then the motor carrier's appeal of the
9 evocation, suspension or probation. And as earlier
10 stated, this bill reverses the order of operations for a
11 process that is already in place with the department
12 wherein the department receives a referral from the
13 Department of Public Safety regarding a motor carrier's
14 unsatisfactory safety rating, as determined by the
15 Department of Public Safety.

16 Previously, the department would receive the
17 referral, we would go through the administrative process,
18 sending notice and giving the carrier an opportunity to
19 provide a response and request a hearing before imposing
20 the revocation on the motor carrier's operating authority.

21 Under the new provisions of House Bill 1672, that is
22 reversed. Now, immediately upon receipt of the referral
23 by DPS regarding the carrier's unsatisfactory safety
24 rating, the department does immediately implement that
25 revocation and then follow through with the administrative

1 notice process on the back-end.

2 There is no significant financial impact
3 associated with the proposal. At this time I would ask
4 the board to approve the publication of the proposed
5 amendments and the new sections so that we may be able to
6 receive public comment.

7 MR. BACARISSE: Thank you, Ms. Thompson.

8 Are there any questions for Ms. Thompson?

9 (No response.)

10 MR. BACARISSE: Seeing none, Laura, are there
11 any public comments on this section?

12 MS. MORIATY: No, sir, no public comments.

13 MR. BACARISSE: Okay, great.

14 The chair would entertain a motion on agenda
15 item 14.

16 MS. GILLMAN: Mr. Chairman.

17 MR. BACARISSE: Member Gillman.

18 MS. GILLMAN: I move that the board approve the
19 proposed amendments and new section in 43 Texas
20 Administrative Code, Chapter 224, as recommended by staff,
21 for publication in the *Texas Register*. In addition, I
22 move that the board grant the department the authority to
23 make non-substantive changes to the preamble and text, as
24 recommended by the Office of the Texas Secretary of State,
25 for purposes of filing in the *Texas Register*.

1 MR. BACARISSE: Thank you.

2 Is there a second to that motion?

3 MS. McRAE: I second.

4 MR. BACARISSE: Vice Chair McRae.

5 Any other discussion on this agenda item, this
6 motion that's been made?

7 (No response.)

8 MR. BACARISSE: Seeing none -- and I guess
9 there's no public comment, thank you -- the chair will
10 call the vote on this agenda item.

11 Member Alvarado?

12 MR. ALVARADO: Aye.

13 MR. BACARISSE: Member Gillman?

14 MS. GILLMAN: Aye.

15 MR. BACARISSE: Member Graham?

16 MR. GRAHAM: Aye.

17 MR. BACARISSE: Member Jones?

18 MR. JONES: Aye.

19 MR. BACARISSE: Vice Chair McRae?

20 MS. McRAE: Aye.

21 MR. BACARISSE: Member Schlosser?

22 MR. SCHLOSSER: Aye.

23 MR. BACARISSE: And I, Bacarisse, vote aye as
24 well. It's unanimous. Thank you.

25 Agenda item, now we move to 15, and Corrie --

1 once again, Ms. Thompson is here, so I will give you back
2 the podium.

3 MS. THOMPSON: Thank you. With the last rule
4 proposal of the day, I believe.

5 Corrie Thompson, director of the Enforcement
6 Division, now presenting agenda item 15 which begins on
7 page 323 in your board books.

8 Now before you is a recommendation to approve
9 the publishing of proposed amendments to Texas
10 Administrative Code 224.58 in the *Texas Register* so that
11 the department may receive public comment. This is being
12 offered in support of Senate Bill 1902 from the recent
13 89th Legislative Session, which calls for rule adoption by
14 October 1, 2025.

15 Historically, House Bill 718, from the 88th
16 Legislative Regular Session, replaced the temporary tag
17 database with a license plate database and amended
18 Transportation Code 503.0633(f) to allow the department to
19 deny access to the license plate database if a dealer is
20 found to be acting fraudulently. Senate Bill 1902, filed
21 in the most recent 89th Legislative Session, further
22 amended 503.0633(f) of the Texas Transportation Code to
23 allow the department to deny access to the license plate
24 system if a dealer has been denied access to the temporary
25 tag database under the former Transportation Code

1 503.0632(f). So essentially, this rule is bridging a gap
2 from dealers who were previously denied access to
3 temporary tags and it keeps them out of the license plate
4 database now that 718 is effective.

5 The denial would be effective once the
6 department sends notice electronically and by certified
7 mail to the dealer in question, and then, of course, the
8 dealer has an opportunity for a hearing following that
9 notice.

10 There's, again, no significant finiscal --
11 financial impact. I mixed my words, fiscal, financial.

12 MR. BACARISSE: Finiscal is pretty cool.

13 (General laughter.)

14 MS. THOMPSON: It's a good word. Right?

15 No impact associated with the proposal, and
16 I'll take any questions. But I would ask that the board
17 approve the publication of the proposed amendments in the
18 *Texas Register* so that we can receive public comment.

19 MR. BACARISSE: Thank you, Ms. Thompson.

20 Members, any questions for Ms. Thompson?

21 (No response.)

22 MR. BACARISSE: Seeing none, no public comment,
23 I'm certain.

24 MS. MORIATY: No, sir, no public comment.

25 MR. BACARISSE: Thank you.

1 The chair would entertain a motion on agenda
2 item 15.

3 MR. JONES: Mr. Chairman, I'll make a motion.

4 MR. BACARISSE: Is that Member Jones?

5 MR. JONES: Yes.

6 MR. BACARISSE: Great.

7 MR. JONES: I move the board approve the
8 proposed amendments in 43 Texas Administrative Code,
9 Chapter 224, Section 224-58, as recommended by staff, for
10 publication in the *Texas Register*. In addition, I move
11 the board grant the department the authority to make non-
12 substantive changes to the preamble and text, as
13 recommended by the Office of the Texas Secretary of State,
14 for purposes of filing in the *Texas Register*.

15 MR. BACARISSE: Thank you.

16 Is there a second to this motion?

17 MS. McRAE: I'll second.

18 MR. BACARISSE: Vice Chair McRae.

19 Any further discussion on this motion that's
20 before us?

21 (No response.)

22 MR. BACARISSE: I see none, I'll call the roll
23 for the vote, please.

24 Member Alvarado?

25 MR. ALVARADO: Aye.

1 MR. BACARISSE: Member Gillman?

2 MS. GILLMAN: Aye.

3 MR. BACARISSE: Member Graham?

4 MR. GRAHAM: Aye.

5 MR. BACARISSE: Member Jones?

6 MR. JONES: Aye.

7 MR. BACARISSE: Vice Chair McRae?

8 MS. McRAE: Aye.

9 MR. BACARISSE: Member Schlosser?

10 MR. SCHLOSSER: Aye.

11 MR. BACARISSE: And I, Chair Bacarisse, vote
12 aye as well. It's unanimous. Thank you for shepherding
13 us through that.

14 And if may ask, the chair would like to take
15 about a five-minute recess. It is now 11:03, we'll see
16 you back here at about 11:10.

17 (Whereupon, a brief recess was taken.)

18 MR. BACARISSE: It is now 11:14, and that was a
19 long five minutes, but thank you, everyone.

20 I am bringing the meeting back into session
21 after the recess, brief recess, and we will pick up on
22 agenda item number 16. We have a specialty plate, and
23 Annette Quintero will walk us through that one.

24 So I'll give you the floor, Ms. Quintero.

25 MS. QUINTERO: Hello. My name is Annette

1 Quintero, the Vehicle Titles and Registration Division
2 director.

3 I am presenting item number 16 which is on page
4 330 of your board book.

5 This is the American Flag new plate design. It
6 is offered both in flat and in the embossed version. We
7 are showing there are 544 people who like this design and
8 271 who did not.

9 This concludes my presentation of the American
10 Flag specialty plate.

11 MR. BACARISSE: It speaks for itself.

12 MS. QUINTERO: It does.

13 MR. BACARISSE: We're going to celebrate the
14 250th anniversary next year, so that's exciting.

15 Members, any questions on this?

16 (No response.)

17 MR. BACARISSE: I see none and hear none. I
18 will entertain a motion on agenda item 16.

19 MS. McRAE: Chairman, I'd like to make a
20 motion.

21 MR. BACARISSE: Vice Chair McRae.

22 MS. McRAE: I move that the board approve the
23 specialty plate design, as presented by staff.

24 MR. BACARISSE: And is there a second?

25 MS. GILLMAN: Second.

1 MR. BACARISSE: Member Gillman.

2 And any other discussion on this?

3 (No response.)

4 MR. BACARISSE: Seeing none, I will call the
5 roll vote, please.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Member Jones?

13 MR. JONES: Aye.

14 MR. BACARISSE: Vice Chair McRae?

15 MS. McRAE: Aye.

16 MR. BACARISSE: Member Schlosser?

17 MR. SCHLOSSER: Aye.

18 MR. BACARISSE: And I, Chair Bacarisse, vote
19 aye as well. It's unanimous. Thank you.

20 And agenda item 17 is appointment of members to
21 Motor Vehicle Industry Regulation Advisory Committee,
22 MVIRAC, and the Motor Carrier Regulation Advisory
23 Committee, MCRAC.

24 So, Laura, take it away.

25 MS. MORIATY: Yes, sir.

1 Hello again, board. Laura Moriaty, General
2 Counsel.

3 Item 17 gives you the opportunity to appoint
4 and reappoint members to the Motor Vehicle Industry
5 Regulation Advisory Committee, which we call MVIRAC, and
6 the Motor Carrier Regulation Advisory Committee, which we
7 call MCRAC. The board first appointed these committees
8 four years ago. And I will say that the committee members
9 have four-year terms so they're all just about to expire
10 in August, so we're coming back to get these membership
11 lists solidified.

12 Executive Director Avitia has created a list of
13 recommended members, both returning and new. MVIRAC, we
14 have 17 returning members and three new members, and on
15 MCRAC we have eight returning members and six new members.

16 You can find those lists on pages 355 and 356 of your
17 board materials.

18 The advisory committees are required to have
19 balanced membership. By rule, we're supposed to have
20 representation from different regions of Texas. And by
21 statute, the advisory committees have to be made up half
22 licensees that are licensed by the DMV for that industry,
23 and then half folks that are not licensed by the DMV but
24 are consumers of that industry.

25 So on MCRAC we are exactly balanced between

1 seven license holders and seven non-licensee members. On
2 the MVIRAC we're having trouble recruiting members who
3 live in Texas and are not our licensees. So if anyone
4 knows anyone who is interested in motor vehicle industry
5 stuff and is not our licensee, the application is online,
6 please apply. But we are twelve licensees to eight non-
7 licensees on MVIRAC.

8 So with that information, we're asking you to
9 approve the list from Executive Director Avitia, and
10 approve the new and returning members for MVIRAC and
11 MCRAC. And I'm open to questions.

12 MR. BACARISSE: Thank you.

13 Members, any questions for Laura?

14 (No response.)

15 MR. BACARISSE: Seeing none, is there a motion
16 on this agenda item?

17 MR. SCHLOSSER: I'll make a motion.

18 MR. BACARISSE: Member Schlosser.

19 MR. SCHLOSSER: I move that the board appoint
20 all individuals from the list of both potential new
21 members and current members for their reappointment to
22 serve on the Motor Vehicle Industry Regulation Advisory
23 Committee and the Motor Carrier Regulation Advisory
24 Committee, as presented by the department's executive
25 director in the board book materials dated July 10, 2025.

1 MR. BACARISSE: Thank you.
2 Is there a second to this motion?
3 MR. JONES: I'll second the motion.
4 MR. BACARISSE: Member Jones, thank you.
5 Any further discussion on this motion?
6 (No response.)
7 MR. BACARISSE: Seeing none, Laura, no public
8 commenters on this one, I would think.
9 MS. MORIATY: No, sir, no public comment.
10 MR. BACARISSE: Great.
11 Call the vote, please.
12 Member Alvarado?
13 MR. ALVARADO: Aye.
14 MR. BACARISSE: Member Gillman?
15 MS. GILLMAN: Aye.
16 MR. BACARISSE: Member Graham?
17 MR. GRAHAM: Aye.
18 MR. BACARISSE: Member Jones?
19 MR. JONES: Aye.
20 MR. BACARISSE: Vice Chair McRae?
21 MS. McRAE: Aye.
22 MR. BACARISSE: Member Schlosser?
23 MR. SCHLOSSER: Aye.
24 MR. BACARISSE: And I, Chair Bacarisse, vote
25 aye as well. It's unanimous. Thank you.

1 We now move to agenda item 18 which is a
2 briefing only, and it's House Bill 718 implementation
3 update. Roland Luna is going to walk us through it.

4 Good morning, Mr. Luna.

5 MR. LUNA: Good morning, Chair Bacarisse, Vice
6 Chair McRae, board members, Executive Director Avitia. My
7 name is Roland Luna, Sr. I'm deputy executive director
8 with the DMV.

9 I'm going to be providing an update on our
10 implementation efforts regarding HB 718. As you know,
11 there were a number of operational changes that the
12 department had to implement as part of HB 718, eliminating
13 six different forms of paper tags, creating new license
14 plate types, requiring a vehicle transfer notification at
15 the time of sale or trade-in of a vehicle, and requiring
16 webDEALER.

17 There is one change to HB 718 that you heard
18 several of our directors talk about regarding Senate Bill
19 1902 and the changes that that brought about. Originally
20 in HB 718, the plate was required to remain with the
21 vehicle; SB 1902 changed that. If a person trades in a
22 vehicle, then that plate could be used for any other
23 vehicle of the same class by the dealer, and if it isn't
24 used within ten days, then the plate can be destroyed. So
25 that was a change from SB 1902.

1 With our implementation activity over the last
2 year and a half, we have created the three new plate types
3 that you have seen before, the new dealer plate, the new
4 temporary registration plate, the out-of-state buyer
5 plate, and then the buyer provisional plate that allows a
6 dealer to use that plate in the event that they do not
7 have the plate in hand or at their dealership at the time
8 of a sale.

9 We also passed our rules well in advance of the
10 December 1, 2024 date and some more notable sections of
11 the rule include that the general issue plate quantities
12 and plate mix for a dealer. So if you're a trailer
13 dealership, it wouldn't make sense for you to receive
14 general issue plates.

15 So as part of our analysis for each one of our
16 22,000 dealers, we evaluated plate quantities and plate
17 mix. That was in our rule. We also looked at quarterly
18 distribution, test drive requirements, manufacturing and
19 distribution, plate recordkeeping, and plate security.

20 We also entered into agreement with a
21 distribution center. As you know, we have a contract, an
22 interagency contract with the Department of Criminal
23 Justice to manufacture all of our plates. Well, with the
24 agreement now that we have with Taylor Communications, who
25 is our warehouse distributor, after plates are

1 manufactured from TDCJ, they will go from TDCJ to Taylor
2 Communications, and then that serves as a hub so that
3 plates can be distributed all throughout the State of
4 Texas. We entered into that agreement months ago and
5 Taylor has the majority of our inventory at this time.

6 We also entered into an agreement with an
7 inventory management system vendor, IMS, with Actricity.
8 Actricity is the vendor that we partnered with for web-
9 based mobile friendly access to IMS. It's used for plate
10 ordering, tracking and plate assignment.

11 That has since been integrated into our
12 webDEALER system that dealers and tax assessor-collectors
13 are very familiar with. We launched an extensive
14 webDEALER training effort in February of 2024 and that was
15 aimed at increasing the knowledge for both dealers and tax
16 assessor-collectors. Since that time, we've provided more
17 than 100 webDEALER training sessions, 50 in person. We
18 have trained 36,000 dealer staff, and 17,500 GDN holders.

19 As of July 1 of this year, there were
20 approximately 3,300 dealers that had not taken webDEALER
21 and by rule were non-compliant with webDEALER. In the
22 rule package that was passed by this board, there was a
23 requirement that dealers take their webDEALER training by
24 April 30 of 2025.

25 We also developed a law enforcement module so

1 that we could train officers on the changes resulting from
2 SB 718. We shared a number of advisory bulletins leading
3 up to July 1 with the Department of Public Safety, with
4 the Texas Commission on Law Enforcement, with the Texas
5 Police Chiefs Association, with the Combined Law
6 Enforcement Association of Texas, and asked them to
7 distribute this information and the training materials
8 abroad so that law enforcement officers would be aware of
9 the changes.

10 And the reason why that is so significant is
11 because if someone purchased a vehicle from Member
12 Gillman's dealership on June 30, they would have received
13 a buyer's tag. That buyer's tag is valid for 60 days. So
14 there's a period of overlap where law enforcement would
15 need to be aware of those changes. We really emphasized
16 that in the training and we also created a short audio
17 file, at Member Schlosser's direction, and we shared that
18 with agencies as well, which could be used as a short
19 condensed version of the one-hour training so that
20 officers knew about the more notable changes.

21 On June 30, as well, we sent one more advisory
22 bulletin through the Department of Public Safety, to all
23 law enforcement agencies, advising them of the changes and
24 reminding them of some of the items that they may see on
25 the road. If you see an agent tag for a dealer and it was

1 printed prior to July 1, then that agent tag would be
2 valid for 60 days. So we're trying to emphasize the
3 period of overlap to minimize confusion with officers. We
4 have fielded a number of questions over the last few days
5 from both dealers and from agencies, from law enforcement
6 agencies that have questions about the overlap.

7 With metal plate changes as well, we understand
8 the significant operational changes that it had for
9 dealerships. We had a number of operational changes and
10 training sessions for dealers and IMS training sessions.
11 We provided seven trainings initially, there were 1,300
12 attendees.

13 Since then we have provided an additional 19
14 sessions with a live question and answer, and there were
15 16,000 attendees. We provided ePLATE training, which --
16 it used to be eTAG, now it's ePLATE -- on July 1 to help
17 with plate assignment. And we have provided several
18 training sessions and have trained approximately 10,000
19 individuals.

20 Our distribution schedule. So with our general
21 issue plates, we initially created six different groups of
22 dealers. So with one group, our initial group was a
23 smaller group of 154 dealers, so that was group one.
24 Group two was approximately 3,300 dealers.

25 The six groups for distribution were properly

1 vetted internally to make sure that they had met all the
2 requirements with webDEALER, and they were signed up, they
3 had taken the training, and we worked through that. That
4 initial shipment of plates went out to dealerships on May
5 20 and to date we have shipped just over 4 million plates
6 to dealers around the state.

7 We do have 650 dealers whose plates were
8 undeliverable for various reasons, either the carrier
9 could not locate the dealership or the dealership as not
10 operating at their licensed location. As a failsafe, and
11 part of our contract with the distributor and the carriers
12 that they have contracts with, we wanted to ensure that
13 there was a person, a living person that signed for the
14 plates before the plates would be delivered. So we have
15 650 situations right now where there were undeliverable.

16 We also had 250 dealers at the time that we
17 started distribution that received a denial of access to
18 the temporary tag system and now to ePLATE, and you heard
19 Director Thompson talk about that earlier in one of the
20 proposed rule packages.

21 With our distribution of dealer temporary
22 plates, the dealer temporary plate has similar uses to the
23 existing dealer plate. Now, we opened that process in the
24 Motor Vehicle Division on April 19 of 2025, and since then
25 we have received 7,700 applications. We've approved

1 6,600, we've assigned 130,000 plates to dealers around the
2 state, and 85,000 have been shipped.

3 We did have a period where there was a shortage
4 of the dealer plate sticker. We worked very closely with
5 TDCJ, we worked very closely with our general counsel's
6 office and with the executive director, to find a
7 workaround.

8 Because if a dealer were supposed to receive
9 their sticker plates that expire on March of 2026 but we
10 did not have that sticker in possession because the raw
11 materials had not been received by TDCJ, we gave them the
12 proceeding month's sticker. So we gave them an April
13 sticker and then we provided some documentation to them
14 letting them know that they could use the April sticker
15 until we received the March sticker. So that was a
16 workaround so that we could continue to get plates out to
17 dealers.

18 And with our temporary registration plate, the
19 temporary registration plate replaced both the 30-day
20 permit and the one-trip permit. Primarily those
21 transactions are handled by the tax assessor-collector, we
22 do handle those in the regional service center as well.
23 We began shipping those plates to all the tax assessor-
24 collectors on July 18 through June 25, and each tax
25 assessor-collector was provided a six-month supply based

1 on last year's analysis. And of course, if tax assessors
2 need more of the temporary registration plates, then they
3 can order those as they normally do.

4 Our compliance staff. As part of the
5 implementation of SB 718, we received 42 new positions and
6 the majority of those, or 26 of those were with the
7 Enforcement Division, particularly with the compliance
8 section. As it stands today, the compliance section
9 already has responsibility for conducting county
10 compliance reviews, now they will be conducting dealer
11 reviews for plate inventory. Corrie Thompson and one of
12 her directors, Charlie Escobedo, have hired all of the
13 staff, got them properly trained.

14 And as part of not only training them, but
15 ensuring that we could do some proactive work, Corrie and
16 Charlie and staff conducted proactive site inspections for
17 2,942 dealerships. And they did that in Houston and the
18 Dallas area, in the Austin area as well. And as part of
19 this proactive work, which began earlier this year, we
20 detected that there were a number of dealerships that were
21 not operating at their licensed location, and cases were
22 initiated on those locations.

23 Also to help bridge the gap with those 3,300
24 dealerships that I talked about that had not taken
25 webDEALER training, as an effort to be very proactive and

1 to try and be real partners with our stakeholders, we had
2 our dealer compliance section go out into the field to
3 conduct what we called educational visits. So we had a
4 number of staff members that worked very hard on this to
5 get out into the field and conduct approximately 1,300
6 visits out in the field. So when they would go to a
7 dealership, they would drop off literature and materials,
8 talk to them about the requirements and the changes of
9 718, and help them get signed up for webDEALER training so
10 that they could be compliant and receive plates before
11 July 1.

12 With our communication and outreach, there was
13 a number of website changes and a number of resources that
14 our divisions worked on very diligently. And our
15 Government and Strategic Communications Division has
16 constantly made updates to our website to add additional
17 resources, pamphlets, things that can be downloaded or
18 reviewed as needed, to ensure that all of our stakeholder
19 groups had access to materials.

20 We knew that with all of the work that we have
21 done leading up to July 1, we knew that there was going to
22 be a heavy lift on July 1. There's a number of
23 operational changes. You see new plates with new colors
24 that you hadn't seen before.

25 I talked about this overlap period that you're

1 going to see for law enforcement. If you're a dealership
2 that sells 500, 1,000, 2,500 vehicles per year, that's a
3 ton of units, so now you're going to have to maintain
4 plate inventory.

5 With all of these changes that were going into
6 effect, we knew that we needed to provide the best
7 customer support possible, so we developed a comprehensive
8 customer support plan where we could focus on three
9 things. We wanted to develop subject matter experts
10 internally so that whether you were calling the Consumer
11 Relations Division or you were talking to any other
12 division, they could properly answer your question or
13 guide you in the right direction.

14 The other thing that we wanted to do with
15 subject matter expertise is build that with our tax
16 assessor-collector partners. And the regional services
17 and VTR, they led the charge with instructing and
18 providing expertise and direction to all 254 counties to
19 make sure that we all understood the requirements of 718
20 the exact same way.

21 The next thing that we wanted to do was
22 identify agency tools or technology that could be
23 leveraged to provide better customer support, and we
24 developed and implemented a chatbot and voicebot. So when
25 you call the Consumer Relations Division, there was a

1 chatbot that would ask if you had questions related to 718
2 and you could talk into it and then a response would be
3 provided. As we received questions into the call center
4 and into the chatbot or the voicebot, we have continued to
5 add questions and answers to the chatbot and the voicebot.

6 And then the last thing we wanted to do was
7 ensure that customer support could be provided and matters
8 could be escalated accordingly. So in addition to the
9 Consumer Relations Division doing a great job, receiving
10 calls and answering calls for dealers and the public, we
11 created escalation teams for Enforcement, for VTR and for
12 the Motor Vehicle Division. So if there was something
13 that was Motor Vehicle Division related, the Consumer
14 Relations Division could escalate that inquiry to the
15 respective division. And we rolled that out on July 1 and
16 it is working very well, escalating matters that required
17 escalation.

18 The other items that we did as part of our
19 customer support plan is we wanted to ensure that we were
20 being responsive to dealers and to customers that had
21 questions. We have received a number of questions
22 regarding the status of my plates or an increase to plate
23 inventory, and we have worked through those feverishly.
24 We have a team that was working seven days a week on that.
25 We have our Information Technology Division, as well as

1 Motor Vehicle, Enforcement, Consumer Relations, Government
2 and Strategic Communications, VTR, we have many divisions
3 that have been working seven days a week and putting in
4 overtime to make this the most successful and painless
5 implementation possible.

6 We were closely monitoring transactions on July
7 1 and have every day and our transaction totals show that
8 as early as 7:05 on July 1 that a proper plate assignment
9 from a vehicle sale was made, which is great. We also saw
10 that the other new plates that were created could be
11 properly assigned, which meant that core functionality was
12 working.

13 Where there were some challenges is with all
14 the operational changes that went into effect, with all of
15 the new requirements for dealers, I think that could have
16 led to some confusion with some dealers, being confused on
17 how to receive in their plates or how to transfer their
18 plates from one dealer ID to another. And we have worked
19 very closely with individual dealers to try to resolve
20 that. We have also worked with our IT department to help
21 those dealers that had not received their plates in to do
22 it for them.

23 And we helped receive in plates for
24 approximately 3,500 dealers over the last few business
25 days. And I want to thank our staff for working very

1 diligently on that to get that done.

2 The other items with our new plate types and
3 transactions that we have been monitoring very closely is
4 the out-of-state buyer plate which is one of the new
5 plates as well. Functionality is working very well and
6 the transaction numbers demonstrate that there is not a
7 challenge with getting those out-of-state buyer plates
8 assigned.

9 As well as with any of our specialty plates.
10 So if you have a specialty plate now or if you have a
11 disabled vet license plate or if you have a license plate
12 that bears the international symbol of access, the
13 disability plate, our testing now and our reports from
14 dealers confirm that all of those things are working
15 properly.

16 As issues have been reported to us, whether
17 it's with webDEALER functions or if it has been with our
18 dealer deputies, we have tried to solution those with our
19 tax assessor-collector partners and dealers. And I want
20 to thank our tax assessor-collector partners for meeting
21 with us so regularly. We have almost daily phone calls
22 with a number of tax assessor-collectors as we're working
23 through some of the finer points of the implementation,
24 and we truly appreciate their partnership. We could not
25 have rolled out the implementation without their

1 partnership.

2 And then with our dealers, our dealers alerting
3 us when there is a challenge. If a dealer was having a
4 challenge on their end but we're not seeing it on our end,
5 that requires some conversation. And I appreciate those
6 dealers that have come forward and helped us identify the
7 issues that we had so that we can get them resolved.

8 And then lastly, before I field any questions
9 that you have about the implementation, I want to thank
10 our staff. Our staff around the DMV have worked
11 tirelessly for the last few months, especially on
12 weekends. We have a number of staff that were working
13 quality control in the warehouse at Taylor for several
14 weeks. Our programmers, our Enforcement staff, our
15 regional service centers, all of our divisions, Consumer
16 Relations, GSC, we've had so many staff involved in the
17 implementation, and we are sincerely appreciative of their
18 efforts.

19 And with that, I'll take any questions that you
20 have about the implementation.

21 MR. BACARISSE: Thank you, Mr. Luna.

22 Members, any questions for Mr. Luna?

23 Member Gillman.

24 MS. GILLMAN: I would like to address starting
25 with Daniel Avitia, our executive director, and to you,

1 Roland. What I want to say is thank you, thank you for
2 your leadership. It has not been easy, it has been clunky
3 on all sides, and there are still sticky bumps in the
4 road.

5 But what I wanted to say that I wanted to thank
6 you for always being solution-oriented. I wanted to thank
7 you for your incredible attitude. Your staff and
8 yourselves have worked so hard. You answer the phone and
9 you give us the impression that you are doing everything
10 you can to fix it, whatever the bump in the road is.

11 And I just wanted to say that your hard work
12 and your attitude is really appreciated. I cannot thank
13 you enough. There is still dealers today that are in a
14 panic, but you know what, if they get ahold of you, I know
15 without any hesitation that you all are doing everything
16 you can to fix it, and for that, I really appreciate it.
17 Thank you.

18 MR. LUNA: Thank you, Member Gillman.

19 MR. AVITIA: Thank you, Member Gillman.

20 MR. BACARISSE: Members?

21 MS. McRAE: Chairman, I'd like to make a
22 comment.

23 MR. BACARISSE: Vice Chair McRae.

24 MS. McRAE: I, too, would like to echo some of
25 the comments made by Member Gillman, starting with Daniel,

1 Roland, and if I had a cape today for Superwoman, I would
2 give that to Annette Quintero. She has been amazing.

3 And I think the dealers -- Stacey spoke very
4 well on behalf of the dealers. As far as the tax
5 assessors, we've had a few hiccups but your team has been
6 very responsive. I know you've had numerous conversations
7 with myself, with John from Dallas, and other tax
8 assessor-collectors, and we appreciate that. Because
9 while you're having these conversations with us, we do
10 understand and realize that you're multitasking, handling
11 issues for our dealers, and we appreciate all of you.

12 And I appreciate our tax assessors working with
13 our dealers. We're trying to help our dealers overcome
14 any obstacles that they have, and this has been a major
15 change. I think probably since Two Steps, One Sticker,
16 this is probably the next largest change we have had in
17 this agency. And seeing how far we've come since we came
18 under attack with all the paper plate fraud, I think this
19 agency has done an amazing job, and I just want to commend
20 all of you.

21 Corrie and her team have also been responsive
22 as far as us going out and finding dealers that are no
23 longer there and working with her group. So I appreciate
24 all of you. Thank you.

25 MR. LUNA: Thank you, Vice Chair McRae.

1 MR. AVITIA: Thank you, Vice Chair.

2 MR. BACARISSE: Members, anyone else? Member
3 Jones.

4 MR. JONES: I'd like to, on behalf of speaking
5 from an independent dealer position, thank you all for how
6 kind you've been to our dealers. Any time that I've tried
7 to assist a dealer, your staff has been fantastic as far
8 as getting back to them and helping them resolve and solve
9 their issues. I appreciate how many times you and your
10 staff, leading up to July 1, made yourself available in
11 person for independent dealers across the state or Zoom
12 calls, you guys were fantastic with being involved with
13 that.

14 And yes, it's not been perfect, but I want to
15 continue to hope that we can collaborate with the state
16 association for independent dealers and continue to just
17 try to fine tune this and perfect it. And we want to
18 learn and I thank you all for all the time and effort that
19 you've given independent dealers.

20 MR. LUNA: Thank you, Member Jones.

21 MR. BACARISSE: Member Gillman, you have an
22 additional comment?

23 MS. GILLMAN: On the right-hand side of the
24 room is our association, the independent dealers and our
25 Texas automobile dealers, and I thank you both, all of you

1 for the collaboration and just helpful communication
2 through this process. It's been invaluable. And because
3 of the communication, I know TADA has been spitting our
4 memorandums daily, and thank you for that.

5 It's been so helpful to educate and help smooth
6 this process. So I appreciate the collaboration.

7 MR. LUNA: Thank you.

8 MR. BACARISSE: Thank you, Mr. Luna. And thank
9 you to the staff here and to our customer people closest
10 to us that live with us every day.

11 I think that there may be some other people
12 that have signed up to speak on agenda item 18, if I'm
13 right.

14 MS. MORIATY: Yes, sir. We have three public
15 commenters.

16 MR. BACARISSE: Great. Go right ahead.

17 MS. MORIATY: First up is Mary Zatopek from
18 United Access.

19 MR. BACARISSE: Okay. Ms. Zatopek, please join
20 us at the podium and we look forward to hearing from you.

21 MS. ZATOPEK: Thank you. Good morning, Mr.
22 Chairman and members of the board. Mary Zatopek. I'm a
23 general manager for United Access in Pflugerville.

24 I'm representing eight dealer locations,
25 mobility dealer locations across Texas. And I'm here

1 today to discuss the implementation of House Bill 718 on
2 mobility dealers, or at least United Access.

3 We have been unable to assign a plate to any
4 customers as of yet. All of our locations are getting
5 errors in the system, and so we've been unable to deliver
6 a wheelchair-accessible vehicle to any of our customers
7 since July 1 or since June 30. All of our locations, we
8 have been reaching out regularly and spending hours
9 through email, on the phone, on live Q&A sessions, and we
10 have not been able to get a workaround or a solution that
11 has been successful.

12 So I am here today just to ask for some help or
13 find where we can find a solution because it's creating a
14 real burden to our customers and to our business.

15 MR. BACARISSE: Absolutely. Thanks for coming
16 up here and talking with us.

17 Let me give the floor to Mr. Avitia.

18 MR. AVITIA: Thank you, Chairman.

19 For the record, Daniel Avitia, Executive
20 Director.

21 Ms. Zatopek, thank you for joining us today and
22 sharing your concerns and comments. At the conclusion of
23 this meeting, if you wouldn't mind connecting with Mr.
24 Luna and see what kind of solutions we can provide. I'm
25 not familiar with the specific circumstances of the

1 constituency that you represent, but please know that we
2 are a customer service agency and we want to be able to
3 find solutions, as you have just heard, for all
4 situations. So if you would connect with Mr. Luna as soon
5 as possible, we'd love to work with you.

6 MS. ZATOPEK: Thank you.

7 MR. AVITIA: Thank you.

8 MR. BACARISSE: Thank you, ma'am.

9 Any other public comment, Laura?

10 MS. MORIATY: Yes, sir, two more. First up is
11 Karen Phillips from TADA.

12 MR. BACARISSE: Good morning, Ms. Phillips.
13 Thank you for coming to speak with us.

14 MS. PHILLIPS: First of all, I do want to thank
15 Daniel for taking all my text messages, and they have been
16 numerous. And Roland, for all the long-winded
17 conversations we've had with respect to buy-sell problems,
18 relocation issues. And Darren Schlosser for helping with
19 law enforcement who have been a little confused about the
20 agent tags and the buyer tags.

21 And this has been a tremendous heavy lift, as
22 everyone has recognized. We've gone from 254 counties who
23 were in charge of plates to 23,000 dealers who now have
24 the responsibility for those plates. That to me is a huge
25 and tremendous number that I don't think the legislature

1 perhaps was mindful of that.

2 But anyway, here we are. We're not going to
3 look in the rearview; we're looking in the front window
4 and we're doing our very best. And Annette has been
5 helpful. Corrie and I are going to be talking more and
6 more about the converter issue and guidelines for dealers
7 and converters as we go forward.

8 And I've learned that you've got some employees
9 that I never knew about. We have a Roman -- no -- Romeo
10 McCain who has been very helpful to many of the dealers.
11 And I've been getting emails and texts from dealers saying
12 Romeo was great, thank you for Romeo. And Kimberley Jaso
13 has also been extraordinarily helpful.

14 So I want you to know that everybody has been
15 helpful. Everybody is trying our best. We have had some
16 glitches, I've got some dealers who have got some comments
17 that may be useful and helpful making the process be a
18 little smoother as we go forward and better
19 customer-oriented.

20 The internet down receipts that you all issued
21 were a godsend for my members because we did have some
22 problems with respect to being able to connect and such.
23 I also appreciated the agency being open on July 4 and on
24 Saturday. That was very helpful because, as you know,
25 July 4 is a big selling day for the dealers.

1 So again, you all are doing a great job. I
2 appreciate it, I certainly want you to know that my
3 members appreciate it, and we will hopefully be able to
4 smooth out some of these -- as Stacey said -- bumps in the
5 road as we go forward.

6 Happy to answer any questions.

7 MR. BACARISSE: Members, any questions for Ms.
8 Phillips?

9 (No response.)

10 MS. PHILLIPS: Thank you.

11 MR. BACARISSE: We appreciate it. Thank you.
12 Laura, any other commenters?

13 MS. MORIATY: Just one more, John Frullo from
14 TIADA.

15 MR. BACARISSE: Of course. Mr. Frullo.

16 MR. FRULLO: I can still say good morning,
17 Chairman Bacarisse, members, Executive Director Daniel
18 Avitia.

19 I want to thank you for everything that you
20 have done as far as dealing with this beautiful gift that
21 the legislature bestowed upon us. And I just want to
22 follow up with Member Gillman where I wrote down
23 "solutions-oriented" and also "great attitude" and I do
24 have to say that working with your team, Daniel, Roland
25 and I have spent hours on the phone talking, texting.

1 Over the two years that we've been working on this
2 program, the implementation of 718, the DMV folks were
3 kind enough to go to about 20 townhalls and talk to
4 sometimes crowds as large as 200 people, our dealers, to
5 see what's actually happening in the trenches, how does it
6 work.

7 You know, one great example is how do we secure
8 the plates. Well, what works good in the Ivory Tower
9 doesn't necessarily work good in an actual lot. And so I
10 want to say that DMV was very attentive to what the actual
11 real-world environments were and said, hey, let's come up
12 with something that makes sense for the dealers and lives
13 up to the objectives of the law. And again, I want to
14 thank everybody for what was done there.

15 Attending our conference last year, attending
16 the conference this year, one of our general sessions, one
17 of the most highly attended sessions last year, great
18 information, great exchange. I was trying to figure out a
19 great way to say this and I came up with a transition like
20 this, a transition of this size does not go off without,
21 you know, a few refinements needing to be made along the
22 way. I think that's a good way to put it.

23 You know, the team has worked great with us to
24 figure out how to do it. You know, they worked long
25 hours, gave quick responses, always happy to help. It's

1 made a difficult situation a lot better. And we still
2 have ways to go, but you know, we've made a lot of
3 progress.

4 So I want to thank the DMV for everything that
5 they've done, the tax assessor-collectors, you know,
6 working with you, it's been a lot of the work just making
7 sure everything works together in that transition as we go
8 from, you know, 200 to 30,000, whatever that number
9 happens to be.

10 And I finally want to say that -- three
11 minutes --

12 MR. BACARISSE: Go ahead.

13 MR. FRULLO: We have a survey that we're
14 sending out now -- I didn't expect to talk this long but
15 that's what happens when you get an old legislator up
16 here -- we have a survey going out, I spoke with Roland
17 earlier today on just a couple of little questions about
18 what we, our dealers, are telling us, and we're just going
19 to give you the raw data and let them do with it what you
20 want.

21 And I'd be happy to answer any questions.

22 MR. BACARISSE: Members, any questions for Mr.
23 Frullo?

24 (No response.)

25 MR. BACARISSE: We appreciate the feedback and

1 look forward to receiving more of it as we move forward.
2 So thank you, John.

3 MR. AVITIA: Thank you, John.

4 MR. FRULLO: Thank you.

5 MR. BACARISSE: Any other public commenters on
6 this item?

7 MS. MORIATY: No, sir, that's it.

8 MR. BACARISSE: We now move to agenda item 19,
9 Legislative and Public Affairs, and Mr. Yawn will give us
10 an update right there.

11 Good afternoon -- no, good morning still, five
12 minutes.

13 MR. YAWN: Good morning. Keith Yawn, director
14 of Government and Strategic Communications for the
15 department.

16 Agenda item 19 is a recap of legislative
17 activity impacting the department during the recently
18 completed 89th Legislative Session.

19 The legislature completed the 89th Regular
20 Session on June 1, and the governor's veto period ended on
21 June 22. Legislators filed more than 8,700 bills, another
22 2,800, almost, resolutions. And of that, the department
23 tracked 580 individual pieces of legislation this session.

24 One hundred ninety-three of those had direct
25 impact for motor vehicle programs, and 244 had potential

1 direct impact to administrative programs. These bills
2 resulted in numerous policy analysis documents, 120 formal
3 fiscal impact statement submissions to the Legislative
4 Budget Board.

5 Seventy-four bills became law. While further
6 review of implementation activity needs is ongoing, it
7 appears that only 37 of those will require active
8 implementation. That would be roughly half of the
9 implementation projects we saw come out of the previous
10 legislative session in 2023 which after the work that
11 you've heard and detail you've heard this morning, you can
12 appreciate the staff is excited about.

13 Twenty-eight bills made changes to core
14 department programs, including 17 related to vehicle
15 registration and titling and five altering licensing
16 activities. Those include seven bills creating new
17 specialty license plates, which is a recent low in the
18 number of new specialty license plates created.

19 A list of bills is included in your meeting
20 materials on page 339.

21 There are a small number of enacted bills that
22 will generate significant implementation projects. You've
23 heard about several of these already in the activities
24 that you've taken up in previous agenda items.

25 Senate Bill 1902 amended the plate movement

1 requirements originally established in House Bill 718 last
2 session. 718, of course, required that license plates
3 remain with a vehicle when transferred, however, SB 1902
4 amended the statute to allow dealers greater flexibility
5 in the use of license plates on vehicles they obtain from
6 trade-ins or purchases. A dealer has ten days to transfer
7 those plates to another vehicle of the appropriate vehicle
8 class or choose to destroy the plates.

9 The bill also clarified that enforcement cases
10 related to misuse of the previous temporary tag database
11 can be continued following implementation of the metal
12 plate inventory system.

13 Senate Bill 2807 created the new statutory
14 regulatory structure relating to the operation of
15 autonomous vehicles in the state. Operation of autonomous
16 vehicles for commercial purposes will require the vehicle
17 owner to obtain an authorization from the department. In
18 the event the autonomous vehicle is determined to be a
19 public danger, the authorization can then be revoked
20 through an enforcement process.

21 And finally, House Bill 500 provides \$125
22 million in funding to begin executing the RTS
23 modernization project. This is both the largest upcoming
24 implementation project and most significant funding
25 request we made this session. Chief Financial Officer

1 Glenna Bowman will provide further information on the
2 final department appropriations and budget items as part
3 of the next agenda item.

4 A legislative session is an exercise in
5 controlled chaos for a state agency, with resources being
6 pulled in numerous directions simultaneously to support a
7 massive demand for complex policy work within a brief
8 five-month period. This session was no exception. A
9 large part of the department was engaged in bill reviews,
10 committee hearings and meetings with legislative offices
11 and stakeholder groups, all while continuing to meet the
12 regular daily needs of their programs to serve Texans, and
13 as has recently been noted, to continue implementations
14 from last legislative session.

15 The department manages this work each session
16 without bringing in any additional extra resources, and I
17 appreciate the effort put in by the entire department to
18 professionally leverage the knowledge and expertise of our
19 staff in these activities. Everyone stepped up and made
20 sure we served as a reliable resource to legislative
21 offices, while maintaining regular operations and customer
22 service levels. And this is, again, not just the
23 individuals and staff that were directly involved in going
24 to the Capitol or working on the documentation, but
25 everyone that supported those staff in making sure that

1 everything else continued to flow smoothly.

2 Moving forward, Governor Abbott has called the
3 legislature back into a special session that will begin
4 July 21. The session currently lists eight -- as of
5 yesterday, lists 18 policy topics, including items on
6 disaster preparedness, property tax, water resource
7 management, education, criminal justice, and judicial
8 matters.

9 At this time, we do not expect the department
10 to be directly involved in the special session, but we'll
11 continue monitoring their activities and advise you if
12 that is to change.

13 Mr. Chairman, this concludes my routine, unless
14 there are any questions.

15 MR. BACARISSE: Thank you, Keith.

16 Members, any questions for Mr. Yawn? Vice
17 Chair McRae.

18 MS. McRAE: Keith, I just want to say thank
19 you, thank you, thank you. You and your team are always
20 amazing. We appreciate all the hard work you put in at
21 the Capitol, not only this year but in all the other
22 years.

23 But you keep us on track and I just want to say
24 thank you. Great job.

25 MR. BACARISSE: I'll second that.

1 Members, anything else? Any other questions,
2 comments? Member Gillman.

3 MS. GILLMAN: Keith, similar to the song I've
4 already been singing, thank you for your collaboration
5 with TADA and Rob Braziel and Kate for helping push
6 through the used car plate following the customer. That
7 has been a really nice appreciated addition. Thank you.
8 Thank you for working with TADA to get that done.

9 MR. BACARISSE: Anything else, members?

10 (No response.)

11 MR. BACARISSE: Keith, we do appreciate you and
12 your team's hard work, and we just pray we dodge the
13 special. Thank you.

14 Anything else?

15 (No response.)

16 MR. BACARISSE: Thank y'all. Thank you, Keith.

17 That was agenda item 19. Agenda item 20,
18 Finance and Audit. We will now hear from Ms. Bowman, I
19 believe, who is making her way up here.

20 It's been busy in your world too.

21 MS. BOWMAN: It has been. Officially, good
22 afternoon, Board. I'll try to make this quick. For the
23 record, my name is Glenna Bowman. I am the chief
24 financial officer for DMV.

25 Today I'm providing an update on final budget

1 decisions made by the 89th Legislature for DMV, and
2 presenting an overview of the recommended operating budget
3 for FY 2026. Materials for this item start on page 342 of
4 your board book, and this is an action item for board
5 approval of the recommended budget.

6 On May 29, the 89th Legislature adopted the FY
7 2026-27 biennial budget for DMV totaling \$667.9 million.
8 That two-year budget includes, as Keith already mentioned,
9 \$125 million in General Revenue funding for RTS
10 modernization, another fun project for the next two years.

11 We're very excited.

12 In addition, the legislature also provided 50
13 additional FTEs and funding from our Fund 10 to enhance
14 and improve our core services and customer support. We
15 received \$3.5 million, approximately, in '26 and another
16 \$3.2- in '27. They also continued funding for the Motor
17 Vehicle Crime Prevention Authority, approximately \$51
18 million in 2026 and \$51.6- in 2027.

19 The legislature also appropriated funding for
20 two of the bills that Keith was speaking to and others
21 have spoken to today. Senate Bill 1902, relating to the
22 administration of the dealer issued license plates
23 database and the removal and transfer of license plates,
24 we received \$4.6 million for additional license plate
25 production. And Senate Bill 2007, relating to voluntary

1 disclosure of an applicant's military status for
2 registration of a motor vehicle, we have some programming
3 that needs to be done for that, and the legislature
4 provided funding.

5 The budget also includes unexpended balances
6 that will be carried forward from '25 to '26. There's a
7 list of those in your materials, if you're interested, and
8 I'm happy to answer questions.

9 On the revenue side, we collect revenues, as
10 you know, from a variety of sources and we deposit those
11 revenues to multiple funds. Fund 10, which funds our
12 operations here at DMV, the revenues are estimated at
13 \$208.6 million in FY26. And the majority of those
14 revenues come from title and registration fees, processing
15 and handling fees, and motor vehicle certificates of
16 title.

17 We do also receive revenue pursuant to Section
18 1006.153 of the Transportation Code which supports
19 activities at the Motor Vehicle Crime Prevention
20 Authority. And those revenues are deposited to General
21 Revenue and are estimated to total \$51 million,
22 approximately, in '26 and \$51.6- in 2027.

23 This concludes my remarks and I am happy to
24 answer any questions you may have.

25 MR. BACARISSE: Members, any questions for Ms.

1 Bowman on both of these agenda items, A and B, under 20?

2 (No response.)

3 MR. BACARISSE: Seeing no questions, there is
4 no public comment, I'm sure, Laura. Is that right?

5 MS. MORIATY: No, sir, no public comment.

6 MR. BACARISSE: Okay, great.

7 I would say that we do have an action item,
8 agenda item 20.A, and I would love to have a motion if
9 there is one, please.

10 MR. GRAHAM: Chairman, I'll make a motion.

11 MR. BACARISSE: Member Graham.

12 MR. GRAHAM: I move that the board approve the
13 fiscal year 2026 operating budget, as recommended by
14 staff.

15 MR. BACARISSE: Is there a second to that?

16 MS. McRAE: Second.

17 MR. BACARISSE: Vice Chair McRae.

18 Writing down -- sorry it's slow, guys. Any
19 further discussion on the motion to approve?

20 (No response.)

21 MR. BACARISSE: Seeing none, I will call the
22 roll for a final vote, please, and I've got to get on the
23 right page.

24 Member Alvarado?

25 MR. ALVARADO: Aye.

1 MR. BACARISSE: Member Gillman?

2 MS. GILLMAN: Aye.

3 MR. BACARISSE: Member Graham?

4 MR. GRAHAM: Aye.

5 MR. BACARISSE: Member Jones?

6 MR. JONES: Aye.

7 MR. BACARISSE: Vice Chair McRae?

8 MS. McRAE: Aye.

9 MR. BACARISSE: Member Schlosser?

10 MR. SCHLOSSER: Aye.

11 MR. BACARISSE: And I, Bacarisse, vote aye as
12 well. Unanimous. We've got a budget. Thank you.

13 MS. BOWMAN: Thank you.

14 MR. BACARISSE: It's fabulous.

15 Before we go to agenda item 21 -- or 20.B --
16 sorry -- let me mention that we do have a visitor with us
17 today and it's not often that we get members of the House,
18 and Senate staff to come and spend time with us, but we
19 appreciate the fact that he's here today.

20 So, Tammy, go ahead.

21 MS. McRAE: I would like to recognize my
22 friend, Jonathan Ortega, from Senator Nichols' office.

23 Jonathan, you have been a tremendous asset to
24 this agency and to me personally. Senator Nichols was my
25 senator, I'm proud to call him, for several years before

1 redistricting and moving him out of my county. But I just
2 want to say thank you for all of your years of support and
3 we are sincerely going to miss working with you in that
4 capacity, and we'll miss Senator Nichols. So thank you
5 for being here.

6 MR. BACARISSE: I'll second that. And we hope
7 that you will find another way to continue your
8 understanding of transportation policy and the work that
9 you do on behalf of the state and the people of Texas. So
10 look forward to more to come, hopefully.

11 We now move to agenda item 20.B, and I'll turn
12 it over to our Finance and Audit chair, Brett Graham.

13 Mr. Graham.

14 MR. GRAHAM: Thank you, Mr. Chairman. Am I the
15 last item between us and the closing of this meeting?

16 MR. BACARISSE: Yes, you're standing between us
17 and lunch, but go ahead.

18 MR. GRAHAM: Before I start, Mr. Chairman, I
19 have a very compelling question for you that you're going
20 to need to answer. I have 30-minute version and I have a
21 5-minute version. Which version do you want?

22 MR. BACARISSE: By acclimation, I think the
23 five.

24 MR. GRAHAM: Okay, just checking.

25 MR. BACARISSE: But go ahead. We don't want to

1 leave you short.

2 MR. GRAHAM: I mean, you know, audit, there's a
3 lot to audit.

4 MR. BACARISSE: Exciting, it's deep and
5 exciting.

6 MR. GRAHAM: That's right. But okay, five
7 minutes it is. You got it, boss.

8 Agenda item 20.B is a briefing item to provide
9 you with information on the Internal Audit Division's
10 activities. On page 354 of your board materials, there is
11 a summary of the Internal Audit Division's current
12 engagements.

13 The first engagement is the public information
14 request audit. The audit's objective is to evaluate the
15 department's processes used to receive, track and fulfill
16 public information requests. This audit is currently in
17 the reporting phase; the audit should be distributed in
18 July of 2025.

19 The second engagement is the Motor Carrier
20 Licensing Advisory. The project's objectives are: to
21 evaluate current motor carrier credentialing system
22 controls; to perform a gap analysis between the MCCA
23 system and the upcoming next generation credentialing
24 system; and to identify potential fraud risks in the
25 credentialing process. The project is currently also in

1 the reporting phase and expected to be distributed by July
2 of 2025.

3 Both projects have been reviewed by division
4 management and have received management responses, and the
5 Internal Audit Division would like to thank OGC and MCD
6 management and staff for their full cooperation.

7 The next engagement is the Information
8 Technology governance audit. The preliminary objective is
9 to determine whether the department's project governance
10 and prioritization practices are effectively structured
11 and implemented to address essential aspects of the
12 project governance. This is an outsourced engagement and
13 the audit is in the planning phase. The Internal Audit
14 Division anticipates completion of the project at the end
15 of the fiscal year.

16 Finally, the Internal Audit Division has
17 completed their interviews and review of risks and
18 controls for the annual risk assessment in preparation for
19 the completion of the fiscal year 2026 Internal Audit
20 Plan. The Internal Audit Division would like to thank the
21 board members, the Executive Director's Office and all
22 division management for their participation and help
23 throughout the risk assessment process. The Internal
24 Audit Division anticipates completion of the annual audit
25 plan in July of 2025 and will present the plan for

1 approval at the next board meeting.

2 And hopefully, each of you had the opportunity
3 to visit with Jason and discuss that. I think he met with
4 each of y'all individually, and that was very helpful for
5 him, so thank you for doing that.

6 So that concludes the internal engagements.
7 The Internal Audit Division does have one external
8 engagement being performed by the Comptroller of Public
9 Accounts. The audit's objectives are: to determine
10 whether the department procured contracts according to
11 applicable state law and Comptroller requirements;
12 processed payments according to applicable state laws,
13 Comptroller requirements and statewide automated system
14 guidelines; and maintained appropriate documentation to
15 support those payments and properly record financial
16 transactions and high risk assets.

17 The audit is currently in field work. We do
18 not have an estimated completion date because, I mean,
19 it's the Comptroller. We don't tell them what to do, they
20 tell us what to do. So we're just in waiting mode.

21 This concludes the five-minute version of the
22 update for the Internal Audit Division, and I will take
23 any questions.

24 MR. BACARISSE: Thank you, Member Graham. I
25 think I agree with everything you said.

1 I will also note that Mr. Gonzalez has now a
2 full Internal Audit team.

3 MR. GRAHAM: Yes, thank you. I failed to
4 mention that.

5 MR. BACARISSE: Fully staffed Internal Audit
6 Division.

7 MR. GRAHAM: Hallelujah.

8 MR. BACARISSE: Yeah, that's a big thing, very
9 helpful.

10 Members, any questions of Member Graham on this
11 item?

12 (No response.)

13 MR. BACARISSE: Seeing none, we do not have a
14 closed session today, so we are not taking up agenda items
15 21 or 22. So the only thing between us and lunch is a
16 motion -- should we adjourn before we eat lunch?

17 MR. GRAHAM: So moved.

18 MR. BACARISSE: I think we should. Let's
19 consider that motion to adjourn, please. Is there a
20 motion?

21 MR. GRAHAM: So made.

22 MR. BACARISSE: Member Graham. And a second?

23 MS. GILLMAN: Second.

24 MR. BACARISSE: Member Gillman.

25 Let's just do this by acclamation. All in

1 favor, aye.

2 (A chorus of ayes.)

3 MR. BACARISSE: Opposed, nay.

4 MR. GRAHAM: Nay.

5 MR. BACARISSE: Okay. You're going to make me
6 write this down.

7 MR. GRAHAM: Always got to be a dissenter.

8 (General laughter.)

9 MR. BACARISSE: It still passes, and the DMV
10 meeting is adjourned at 12:12.

11 (Whereupon, at 12:12 p.m., the meeting was
12 adjourned.)

C E R T I F I C A T E

MEETING OF: TxDMV Board
LOCATION: Austin, Texas
DATE: July 10, 2025

I do hereby certify that the foregoing pages,
numbers 1 through 138, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas Department of Motor Vehicles.

DATE: July 23, 2025

/s/ Nancy H. King
(Transcriber)

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